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The NATIONAL UNDERWRITER

Fortieth Year—No. 46

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, NOVEMBER 12, 1936

\$4.00 Per Year, 20 Cents a Copy

Crop Coverage Is Conference Topic

President's Committee Meets with Stock and Mutual Representatives in Washington

INSURANCE COOPERATES

Secretary of Agriculture Wallace Feels Problem Must Be Handled by Federal Government

WASHINGTON, Nov. 11.—Representatives of stock and mutual companies conferred with members of the President's committee on crop insurance in the first of a series of conferences designed to develop views of all interests on the subject. The committee then conferred with representatives of farm organizations and the farm warehousing industry.

Full cooperation of the insurance business was placed at the government's disposal in its effort to make available to farmers a means of insuring against heavy crop losses arising out of unfavorable weather and other factors beyond their control, but it was later indicated by Secretary of Agriculture Wallace that the problem is so vast it appears probable only the federal government could handle it.

Groups to Name Representatives

It was agreed that stock companies and mutuals would each meet as a group and each select two persons to represent them in further deliberations, particularly in connection with technical details of various proposals.

Whether or not a governmental system of crop insurance will be established, the secretary said, in the last analysis will rest with farmers. All groups interested will be given opportunity to meet with the committee, which later will draft a report for submission to the President, probably before the end of December.

Although the undertaking is seen as one which only the government could handle, the secretary said, "Companies may play an active part, but it is obvious they cannot handle it alone. The companies displayed a fine, cooperative spirit and I am sure they will prove of great help to us in our discussions."

Proposal Is Outlined

Wheat, corn and cotton are the principal crops which it is contemplated covering by the insurance program, but it was stressed the proposed insurance would not particularly affect hail, lightning and other storm policies even though it may be decided to run the program on an "all risk" basis. Representatives of mutuals attending the conference, Mr. Wallace said, were "not unduly alarmed."

No recommendations were agreed on
(CONTINUED ON PAGE 12)

Missouri Reciprocal Shows Sharp Decline in Surplus

HEAVY LOSS RATIO IS SEEN

Manufacturing Lumbermen's Underwriters of Kansas City Has Met With Hard Luck Recently

The Manufacturing Lumbermen's Underwriters of Kansas City, the well known reciprocal, has been confronted with a sharp drop in surplus since Dec. 31. Its condition as shown as of Sept. 30 was: Assets \$2,322,644, premium reserve \$1,191,157, net surplus \$813,220. An examination was started Oct. 27 by Missouri, Iowa and Oklahoma. During the first nine months the loss ratio was 81.9 percent on the lumber business, 86.6 percent on general business, 90.1 percent on automobile and 127.4 on cargo, all these being on an earned basis. The expense ratio also ran high and there was the withdrawal of \$115,630 of accumulated savings by subscribers, which altogether caused a shrinkage in surplus of \$716,895.

Atlas Mutual in the Picture

The underwriting of cargo insurance has been very unprofitable and was discontinued in September. It has written excess reinsurance with \$10,000 of coverage on general risks and \$50,000 on lumber. The reinsurers pay 95 percent of losses in excess of these limits.

As of Oct. 26, a contract was entered into by the attorney-in-fact and officers of the Atlas Mutual of Kansas City providing for the reinsurance of all the outstanding business of the exchange. This contract, however, is subject to the approval of the advisory committee and it has been in session, looking over the situation. Seemingly the committee disapproved the contract and continued in session to try to shape up the exchange as best they could. The Atlas Mutual is under practically the same management as the Manufacturing Lumbermen's Underwriters. It has assets of \$350,000 and general surplus of \$150,000.

Figures on the Business

On the non-assessable business on Jan. 1, 1933, to Oct. 1, 1936, the net premiums earned were \$2,031,972 and losses \$1,327,540, expenses \$760,269 and commissions \$665,893, making a total of \$1,426,161 except losses. On the automobile business the premiums were \$34,504, losses \$28,580, expenses \$12,639, commissions \$11,470. On the cargo the premiums were \$706,010, losses \$622,310, expenses \$165,779, total aside from losses \$30,980.

The attorney-in-fact is the Rankin-Benedict Underwriting Company. The concern started in business Nov. 1, 1898. It was organized to write lumber. Its biggest year on lumber was in 1924, when the premiums were \$1,989,329.

Starting Jan. 1, 1933, when it was plain that the premiums on lumber were decreasing in volume, it began to develop every line, this being written on a non-assessable and non-participating basis. In 1935 the premiums were \$2,395,000. The premium volume has been running recently about one-third from lumber and two-thirds for miscellaneous lines. The latter has been written largely

(CONTINUED ON PAGE 12)

Big Corporation Converts to an Insurance Charter

ADD LINE OF REINSURANCE

Vick Financial Becomes Reinsurance of America, With \$8,000,000 of Assets—Will Save Taxes

NEW YORK, Nov. 11.—Reincorporation of Vick Financial Corporation, a Delaware company with several million dollars in assets, as the Reinsurance Company of America, under the laws of New York, has aroused interest in insurance circles. Whether it really desired to enter the insurance business seriously, or whether the favorable tax situation of insurance companies under the federal law is the principal motive, is a subject of speculation. The plan of the directors to enter only the reinsurance business, and "that type of reinsurance for fire insurance companies which is technically known as excess loss," suggests rather limited underwriting activities.

Exempt from Certain Taxes

On the other hand, Vick Financial, according to its chairman, is now invested 98.5 in stocks. Under the new federal tax law, a corporation receiving dividends on stock held in other corporations must pay a partial income tax on such dividends, although the company making the earnings has already paid an income tax once before declaring the dividend. Insurance companies are exempt from this second tax on dividends, and are also exempt from the troublesome undistributed profits tax.

Vick Financial was incorporated under the laws of Delaware May 14, 1929. Its charter authorizes it to undertake researches of every kind into business of every kind, especially in the proprietary drug field. It is also allowed to invest its funds in underwriting the securities of such enterprises, and to invest in all types of securities and deal in, hold, sell and exchange securities.

It acquired from Vick Chemical Company bonds and preferred stocks of a market value of \$2,000,000, in exchange for 200,000 shares of Vick Financial at \$10 per share. During the depression the par was reduced to \$5 per share. The present capital stock of Vick Financial consists of \$20,000,000 in preferred stock authorized, with none issued, and \$10,000,000 in common stock with \$4,093,810 issued, of which \$556,040 was held in the treasury Dec. 31, 1935.

Assets Near \$8,000,000

According to Standard Corporation Records, the market value of the net assets at the end of 1935 was \$7,938,022, or \$9.70 for each common share. Dividends paid were 22½ cents in 1935, with 2½ cents extra; 15 cents in 1933 and 1934, and 22½ cents in 1932. The officers are: H. Smith Richardson, chairman; W. Y. Preyer, president; James Ratray, vice-president and treasurer, and Clifford F. Germain, secretary and assistant treasurer.

The portfolio consists of well known
(CONTINUED ON PAGE 38)

Not Many Changes Are Anticipated

Most Insurance Commissioners, Being Democratic, Will Likely Continue in Office

KETCHAM TO BE REPLACED

Situation as to Present Incumbents Where There Is a Change in Governor

With the sweeping Democratic election including governors of almost all the states, there will probably not be very many changes in the personnel of the insurance commissioners. However, in Michigan a Democrat, Frank Murphy, was elected, which will doubtless result in a new commissioner there to succeed J. C. Ketcham. Rumor has it that Governor-elect Murphy may appoint Charles E. Gauss to the post. He served as commissioner from the resignation of the late C. D. Livingston early in 1933 until the appointment of Mr. Ketcham the following year. Representatives of Mr. Murphy are reported to have been sounding out the sentiment in insurance circles toward Mr. Gauss' appointment, which is likely to meet with the approval of the business.

Mr. Gauss would be unlikely to take the office were it tendered, as he has been named postmaster at Marshall. This is also true of Stanley J. Risk, prominent Muskegon agent, who was prominently mentioned for the commissionership four years ago but was recently made postmaster of his home city. Among the prominent agents particularly friendly with the new deal leaders, both state and national, is John O'Meara of Hillsdale. It is considered possible he might have a voice in selection of the new commissioner, although it is believed doubtful if he would accept the office himself as he has a large agency representing some 15 companies.

May Be Change in Personnel

Mr. Ketcham, who is a former Republican congressman from Hastings, has no expectation of remaining with the department and is expecting to turn over the reins promptly on Jan. 1. He has indicated willingness to cooperate with Mr. Murphy's selection for the job in familiarizing him with the department's functions. Just how extensive the changes will be in the department cannot be ascertained at this time. There has been much agitation in behalf of a civil service system of state employment and a study commission has framed a merit system proposal for presentation to the incoming legislature. Its adoption by a law-making body which will be wholly controlled by the Democrats for the first time in modern history is considered rather unlikely unless sufficient personnel changes have
(CONTINUED ON PAGE 14)

Home of New York Appoints Mortimer Sprague Secretary

THREE ASSISTANTS NAMED

S. A. Mehorter, F. E. Potter and J. W. Morrow Are Advanced—Recognize Younger School of Underwriters

NEW YORK, Nov. 11.—Mortimer E. Sprague has been promoted to secretary by the Home of New York and Samuel A. Mehorter, F. E. Potter and J. W. Morrow have been appointed assistant secretaries, the latter in the marine division. All belong to the younger generation of underwriters and each has proved his capacity to assume increased responsibilities. Mr. Sprague, a West Point graduate and famous as a football star, has been connected with the Home since 1930. Beginning as a special agent in its service department he was later on advanced to assistant manager of the department. In 1935 he was appointed assistant secretary in charge of the metropolitan department.

Mr. Mehorter's connection with the business dates from 1912, when he was employed as rate clerk by the Philadelphia Fire Underwriters Association. Later he joined the Schedule Rating Office of New Jersey, resigning to serve the Continental as special agent and engineer. His next association was with the North America, as state agent in New Jersey, a post he held until 1929 when he transferred to the Home. After five years as state agent in northern New Jersey he was called to the Home's head office as production supervisor for the eastern division, being further advanced to assistant manager of the metropolitan department last March. Mr. Mehorter has been prominent in Blue Goose circles, serving as most loyal grand gander last year.

Potter Formerly in Mississippi

Mr. Potter's association with the Home dates from 1920 when he resigned from the Mississippi state rating bureau to become special agent for the Home in Mississippi. Later he was transferred to its improved risk department, working out of its Chicago office. He returned to the Mississippi field in 1923, soon thereafter being named as state agent for Louisiana. In 1933 he was called to the head office as assistant general adjuster. Mr. Morrow has been identified with marine underwriting for a number of years, having been successively associated with Willcox, Peck & Hughes, and with Talbot, Bird & Co., before accepting service with the Home in 1923. He was made supervisor of the marine department in 1931.

Williams for Federal Act on Unlicensed Companies

JACKSON, MISS., Nov. 11.—A uniform law and probably an interstate enforcement act is necessary to prevent operation of unlicensed insurance companies, Commissioner Williams declares.

He will submit his request for a uniform law to the commissioners in their meeting at Hot Springs, Mr. Williams declares, and the commissioners, he believes, may see need for Congressional action to enforce the law.

"We have 82 companies operating in Mississippi now, either by mail or through unlicensed agencies," he said. "It won't do any good to chase them out of Mississippi into another state, and we can't do anything about those operating by mail from the state in which they are incorporated to the state in which they solicit applicants without license."

Most of these companies are incorporated in some state which grants charters to non-profit and benefit organizations, but do not conduct their business in those states.

On to Washington



THOMAS WATTERS, JR.

Attorney Thomas Watters, Jr., of Des Moines, who also is a member of a legal firm in the Shoreham building at Washington, D. C., and furthermore is head of the social security information division of the National Board of Fire Underwriters and the Association of Casualty & Surety Executives with offices at 85 John street, New York, finds that it is too exhausting to operate three different offices. Hence he is forsaking Des Moines as a residing place and will hereafter have his chief headquarters in Washington. He will commute between Washington, D. C., and New York City. Attorney Watters has long been a prominent figure in insurance legal and departmental work in Des Moines and has a wide acquaintance.

Lunt and Bennett to Talk to the Rhode Island Agents

PROVIDENCE, R. I., Nov. 11.—Tentative plans for the annual meeting of the Rhode Island Association of Insurance Agents are for Nov. 17, although it is possible that this date may be advanced to Nov. 24, due to signing up certain speakers. Two speakers who will probably address the meeting are Edward C. Lunt, vice-president Great American Indemnity, and Walter H. Bennett, secretary National Association of Insurance Agents. While permanent plans have not been formulated at this time, it is expected that a decision will be made within the next few days as to the exact date. Earle S. Dane, secretary of the state association, and W. A. Lester, chairman of the committee in charge of speakers, are in charge of arrangements.

THE WEEK IN INSURANCE

Crop Insurance studied at Washington conference of stock and mutual carriers with special federal committee. **Page 3**

Reincorporation of Vick Financial Corporation as a reinsurance company attracts much attention. **Page 3**

Manufacturing Lumbermen's Underwriters of Kansas City, the well known reciprocal, shows a sharp decrease in surplus. **Page 3**

Situation with regard to Insurance Commissioners in a number of states outlined. **Page 3**

Home advances home office men. **Page 4**

Report has it that the **Blanchard anti-compete law in Ohio** may be tested on its constitutionality. **Page 4**

Controversy between Wisconsin department and marine companies over **reporting of marine business** through fire insurance rating bureaus is settled amicably. **Page 10**

Companies Plan to Test Constitutionality of Law

OHIO VALENTINE ACT IS UP

Provision Relating to Combination on Commissions Is Likely to Be Attacked Soon

There have been some informal discussions among company executives as to the advisability of instituting a suit to test the constitutionality of the Valentine anti-compete law in Ohio. While nothing official has been announced it is known that there is a serious movement on hand and it is gaining ground because legal opinion has expressed itself as believing that this statute will be held invalid by the U. S. Supreme Court on that portion which prohibits companies and agents from combining to agree on commissions.

Will Stress Public Benefit

So far as the rate provision is concerned it undoubtedly would stand. However, attorneys express the opinion that if the court realizes that the public is better served by leaving commissions open, and that is the position the companies would take, the law would be declared unconstitutional and against public policy. There are three states in the west which have very stringent laws prohibiting commission agreements, they being Ohio, Iowa and Nebraska. The fact that Ohio has a number of sizable cities has made its anti-compete law a thorn in the flesh to the companies, in a way, because there is no way they can enforce separation. The result is that probably 60 percent of the agencies in Ohio are mixed.

Outsiders Bid for Business

The organization companies find they are considerably handicapped by outsiders entering their agencies and paying higher commissions. Many of the agencies voluntarily put their companies on an equality so far as commissions are concerned because they feel that is the most logical plan to follow for an office. However, the companies cannot use any pressure. There are two exempted cities in the state, Cincinnati and Cleveland, and considerable complaint is made of agents trying to pull the market so far as commissions are concerned in these cities.

The organization companies take the position that in states where separation is in force, the business is more stable, agency operations are more satisfactory and the cost is considerably reduced.

The section of the Ohio insurance law under consideration is 9563. It would not be surprising to see some definite movement made to test the constitutionality of the act in the not too distant future.

Tightening of premium finance prohibition of marine definition, features semi-annual meeting of **S. E. U. A.** at Pinehurst, N. C. **Page 5**

Program of the meeting of the Arizona local agents announced. **Page 5**

Companies given equity hearing in Massachusetts auto liability rate situation. **Page 20**

Suit filed for appointment of receiver for Commonwealth Mutual Liability of Boston. **Page 20**

Control of the legislature by the Earle administration in Pennsylvania means the passage of more liberal workmen's compensation act. **Page 30**

New York Accident & Health Association holds first lecture in its new series. **Page 29**

Great progress in laws protecting working men from hazards made in year. **Secretary of Labor Perkins** reports at conference with insurance representatives. **Page 30**

Social Security Rulings Are Made by Federal Board

One of the service bulletins gives some interesting information regarding special rulings made by the Federal Social Security Board at Washington regarding the social security act. In each case the rulings were given in response to an individual question and, therefore, pertained only to specific instances. They may, however, be taken as indicative of the trend of thought of the Social Security Board:

Questions Asked

1. Are life insurance agents, whose principal remuneration arises from commission, classified as independent contractors or employes?

2. Are branch office managers and assistant managers remunerated by salary only, employes, within the meaning of the act?

3. Are brokers placing life insurance with more than one company, or engaging in the sale of other lines of insurance, classified as independent contractors?

Be advised, based on the foregoing, it is the opinion of this office that insurance agents and branch office managers and assistant managers are employes within the meaning of Title IX of the social security act, and the remuneration received by them should be included by the insurance company in computing total wages subject to the tax imposed by section 901 of the act.

Brokers Independent Contractors

In answer to question 3, it is the opinion of this office that brokers placing life insurance with more than one company, or engaging in the sale of other lines of insurance, are independent contractors within the meaning of Article 205 of Regulations 90, rather than employes, and accordingly the tax imposed by Title IX of the social security act would not apply, unless, the above broker employed eight or more individuals on each of some 20 days during the taxable year, each day being in a different calendar week.

New Premium Finance Plan Based on One St. Paul Uses

ST. PAUL, Nov. 11.—A revised premium finance plan for fire and casualty insurance that its sponsors say will mark a long step forward will be announced here some time this month by the First Bancredit Corporation.

The details have been practically all worked out and the idea has been sold to several of the large companies, which are expected to utilize the new plan at an early date.

The new plan is similar to one now in use by the St. Paul Fire & Marine and the success the St. Paul has had with the plan is said to have influenced other companies to take it on. It is claimed that it virtually eliminates the collection problem as far as the local agent is concerned and reduces the finance charge to a straight 4 to 6 percent bank loan proposition, depending on the size and duration of the policy. No down payment is required, the first payment being made 20 days after the date of the policy and subsequent payments monthly. Under the plan the insurance companies make certain guarantees to the finance company in return for certain services which the latter agrees to perform.

First Bancredit Corporation has been engaged in premium financing for seven years, and according to G. B. Bickelhaupt, manager of the credit department, policy cancellations have not exceeded 1 percent. The new plan now being worked out is more flexible than the one that has been in effect.

S.E.U.A. Tightens Its Finance Rule

Unanimously Endorses Invoking Interpretation of Marine Agreement

BICKERSTAFF IN REVIEW

Semi-annual Gathering in Pinehurst, N. C., Disposes of Heavy Agenda—Record Attendance

PINEHURST, N. C., Nov. 11.—Tightening of the rule prohibiting fire companies from participating in premium finance companies; unanimous endorsement of invoking of the interpretation of the marine agreement fixing the line of demarcation between fire and marine business, the clearing of a heavy agenda of many minor matters and an interesting review of general conditions by President Charles A. Bickerstaff featured the semiannual meeting of the Southeastern Underwriters Association here. Previous meetings of executive and other committees somewhat shortened the formal sessions.

Attendance was one of the largest in recent years. Eastern executives arrived early to discuss important matters before the executive committee. During the meeting the companies presented Chairman E. N. O'Beirne of the Mississippi-Louisiana conference committee a silver coffee service in recognition of his splendid service.

Give Inspection Report

Reports showed the department of Chief Engineer H. N. Pye of the association had inspected 2,500 fireproof risks to apply the revised schedule of rates.

Notwithstanding the fact that the association for some time has had a rigid rule against premium finance companies, the Pinehurst meeting went even further and made the regulation more stringent.

The association heartily commended Commissioner Knott of Florida for reinstating interpretation of the marine rule. It is now in effect in all coastal states from Maine to Texas. The S. E. U. A. is behind the enforcement of the interpretation.

Recovery Is Cited

Recovery in general business is expected to bring an attending increase in premium volume, according to the address of President Bickerstaff, who stated there prevails an increase of from 15 to 20 percent in the 1936 loss ratio as compared to that of last year for the same period.

The territory covered by the activities of this association, while largely agricultural, is rapidly becoming an industrial center of increased importance. Due to a recent discovery that paper of a high grade may be made from slash pine, two large paper plants have recently been established in Georgia, with the prospect of others being established throughout the south. The expansion of this industry, along with the enlarged development of steel and textile interests, bids fair to an increased prosperity for this favored section.

"Steel mills and the textile industry are now running at practically full capacity. There has been a substantial outlay in new capital for the expansion and development of both of these major industries.

"The wholesale and retail trade throughout the south is slightly above

(CONTINUED ON PAGE 13)

Program for Meeting of Arizona Agents Announced

The annual meeting of the Arizona Insurance Agents Association will be held Saturday at the Pioneer hotel in Tucson. J. J. Keegan of Globe, the president, will be unable to attend as he is making a trip in the east. Vice-president H. C. Tovrea of Tucson will therefore preside. Postelle Cooper of Deming, N. M., president of the New Mexico association will be present representing the National Association of Insurance Agents. R. E. Ellis, assistant secretary of the Fireman's Fund, will give a talk, outlining the work of the Business Development Office. Members of the Arizona Corporation Commission will be present and will be introduced. L. B. Curtis of Phoenix, secretary and treasurer, will give his report and David Johnson, chairman of the legislative committee, will present a report. Mr. Ellis will be the chief speaker at the banquet. Among the questions to be discussed are: Financial responsibility law, guest law, agents qualification law, compensation insurance, insurance department, corporation commission, safety first week, election of officers.

New Managers Announced by Underwriters Adjusting

J. S. Wells, for a number of years manager of the Underwriters Adjusting at Kalamazoo, Mich., is being transferred to the management of the Sioux City, Ia., branch. Mr. Wells has been associated with the company since 1924, at one time having been manager of the branch at Terre Haute, Ind.

He resigned to enter field work, later returning to the organization and was appointed to the Kalamazoo post. The Sioux City office is a larger branch and means a promotion for Mr. Wells, T. A. Pettigrew, general manager, said.

J. A. Cairns, former employee of the company and recently an independent adjuster at Battle Creek, Mich., will replace Mr. Wells at Kalamazoo and will handle the Kalamazoo-Battle Creek offices. Mr. Cairns is an adjuster of long experience, having been at one time employed by the Western Adjustment and later with the Underwriters in various offices. He was manager of the Lansing, Mich., office at the time of his resignation. He now returns to his old connection.

C. O. Terry, at one time employed by the Western Adjustment & Inspection, has been appointed by the Underwriters Adjusting as manager of the Louisville office, succeeding F. G. Wolf who has been transferred to be manager of the newly opened office at Dayton, O.

Mr. Terry has lived in Louisville for a number of years, and is well known in the Kentucky field.

Mr. Terry is a nephew of Charles S. Terry of Bradshaw & Weil General Agency Co., Louisville.

Kidder Heads N. J. Square Club

NEWARK, Nov. 11.—At the annual meeting of the Insurance Square Club of New Jersey, J. B. Kidder, Travelers, Newark, was elected president; Douglas Cullen, Passaic, first vice-president; Albert Turpin, Newark, second vice-president; Edgar McCaskie, Newark, secretary, (reelected); Vernon Beavers, Newark, treasurer (reelected); John Crummey, Schedule Rating Office of New Jersey, trustee.

Clutia on Southern Tour

H. H. Clutia, president of the Northern of New York, is on a tour of his agents in the south. He will be joined by Southern Manager A. H. Turner and Executive Special Agent C. L. Ledsinger.

Canadian Problems Shown

Observations on Issues That Create Most of the Discussion Among Insurance Men BY RALPH E. RICHMAN

The fire and casualty insurance business problems of the United States and Canada differ in degree, but not in kind. Fifteen years of intermittent visits with Canadian agents, company executives and agency conventions have failed to disclose a single problem of the business in the Dominion which has not been in the past, or is not now, a problem of the business in the States. Vast expanse and sparse population, outside the Toronto and Montreal areas, vastly aggravate the problems.

Lack of Leadership

Among all classes of agents and company executives, there is frank recognition of these problems and the necessity for trying to solve them but there seems to be a paralysis of the leadership and cooperation required. When the Ontario Fire & Casualty Insurance Agents Association met in Toronto, there was much discussion of these problems in private groups, but for the most part they got no formal place in the convention program. If any group has worked out a definite program of procedure, setting forth the exact steps to be taken for correction and the order of their desirable achievement, the program has not been brought out and vigorously promoted.

CONFUSION IS THE KING

In Ontario, confusion is king of rating and commissions. Companies belonging to the Canadian Underwriters Association are known as the tariff companies. This organization promulgates rates. The non-tariff companies do not contribute to the rate making expense, though they seem to use the tariff rates as a port of departure in bidding for business. It is understood that the non-tariff companies are willing to contribute to the expense of the rating organization if they are permitted to do so.

Ontario has no anti-discrimination law. It is thus possible without violating the law, to have risks of similar char-

R. S. Winnard Is Honored by Field Men of Ohio

Ray S. Winnard, state agent of the Fire Association, who has been transferred from Ohio to the home office in Philadelphia, was the guest of honor at a farewell dinner in Columbus Monday night, which was attended by members of the Ohio Fire Underwriters Association and the Blue Goose. R. S. Tidrick presided and among the speakers were J. Victor Herd, vice-president Fire Association, Philadelphia; W. S. Winnard, father of Ray Winnard, himself an old fire insurance man; R. W. Hukill, A. R. Gibson, president, and H. L. Underwood, secretary of the Fire Underwriters Association; Special Agents Roy Brubaker, Columbus; George Brinsmaid, Cincinnati; S. D. Reichelderfer, Chillicothe; T. Carl Jansen, Lima, and others. Mr. Winnard was presented with an Oriental rug and made a short talk, telling of his appreciation and recalling his service in the Ohio field. About 125 people attended the dinner. The rug presentation was made by Allen C. Guy of the Western Adjustment. Paul F. Brown was chairman of the committee in charge.

Ohio Legislative Chairman

H. S. Martin of Toledo, the new president of the Ohio Association of Insurance Agents, has reappointed Robert O'Brien of Columbus as chairman of the association's legislative committee.

acter paying the most divergent premiums for the same coverage. Those in the States with long memories do not need to imagine the resulting chaos. Agents say they would like to see it ended. Risks are passed from agency to agency, with less and less profit to all. Undoubtedly the wide open competitive struggle for business creates unusual stresses inside the Canadian underwriters' organization itself.

SHALL THERE BE SEPARATION?

On the subject of separation, the visitor may hear all shades of opinion from the statement that separation is just around the corner to the statement that separation is not visibly closer today than it was five years ago. Seemingly the real basis for believing that something may take place before very long is that conditions are believed to be getting so chaotic that some group of companies may be ready to undertake drastic measures. As usual, whatever initiative is displayed toward separation arises among certain of the companies, the agents being indifferent or hostile. The agents say that from their viewpoint, separation itself would not provide a solution for their own difficulties and problems.

In Ontario at least, the stock-mutual issue is not joined among the agents. Both classes of carriers have many agencies and promotion of the idea of all stock or all mutual agencies is not much discussed among the agents. This is no doubt due to the competitive struggle among the stock companies themselves which over-shadows the struggle between the two classes of carriers.

COMMISSION QUESTION ARISES

The commission question gets into the Ontario picture by reason of the rule which permits each company to have two excepted agencies in Toronto. These agencies get a rate of commission above the level for the province and create the same feeling and dissension among agents and companies which arise where like condition prevails in the States. The outside agents complain that the Toronto excepted agencies compete on an unfair basis because of the greater proportion of the premium which may be used for service and solicitation. Likewise, as in some of the states, this double commission standard has prevented the large city agents and the outside agents from getting together and presenting a united front for tackling the common problems.

About 11 years ago the companies came near to putting an end to the excepted agencies plan. There is a growing conviction today among both company officials and agents, even in Toronto, that the plan has not operated to produce the best results for the insurance business as a whole. While there is a universal recognition of what the problems are, if there is any substantial group among either the companies or the executives, that has a definite program for correction with an aggressive leadership to push it through, the group could not be discovered in three weeks of visits and interviews. There is desperate hanging on to every advantage possessed by the individual units and fear of the loss of individual position dominates. And while this fear dominates in action, there is common agreement that the business as a whole is very sick and requires the united aid of all for its improvement.

As in the States, there is universal complaint that there are too many companies going after a limited amount of business. In his remarks when welcoming the delegates of the Ontario Fire & Casualty Insurance Agents Association to the Toronto meeting, Alderman John

(CONTINUED ON PAGE 17)

NEWS OF FIELD MEN

Crain St. Paul State Agent

Former American of Newark Man Takes Charge in That State Succeeding W. J. Henshaw, Resigned

Morris H. Crain, who resigned last week as Indiana state agent of the American of Newark, has been appointed Indiana state agent of the St. Paul Fire & Marine to fill the vacancy caused by the recent resignation of W. J. Henshaw.

Until a definite division of the territory is made the interests of the St. Paul group in Indiana will be under the joint supervision, as state agents, of Mr. Crain and L. G. Bergeron, the latter having been special agent in the state for the last year and a half.

Mr. Crain, who graduated from Wisconsin University in 1930, entered the insurance business as manager of the insurance department of the Rushville-National Corporation which was affiliated with the Rushville (Ind.) National Bank. He became special agent of the American in 1931 and succeeded J. A. Bawden as state agent about a year ago. He is spending a week at the home office of the St. Paul before entering upon his duties.

Mountain Field Club Meets

At the monthly meeting of the Mountain Field Club in Denver, Guy Shirley, special agent National Automobile Theft Bureau, spoke on the results of the cooperation of the city and state auto theft departments in lowering this type of crime, and in the high percentage of recoveries achieved.

A nominating committee was appointed by Harry Ammonett, president, to report at the January meeting. An invitation was received from the Glenwood Springs (Colo.) junior chamber of commerce, to hold a town inspection and fire prevention demonstration there. The meeting will be held as soon as the weather permits.

R. R. Clark, United States manager of the Caledonian, was a guest.

Honor Wichita Contest Winners

The Sunflower (Wichita) Blue Goose paddle has a record attendance, honoring two high school students who won the fire prevention playlet writing contest, sponsored by the paddle in cooperation with the fire prevention committee of the Wichita chamber of commerce. B. J. Weldon, big toad, presented the awards.

Prize winners at the dinner-bridge were Mrs. B. J. Weldon and Mrs. William Ehret at auction and Mrs. Lloyd Grier and Mrs. E. B. Fergus at contract. Mr. Ehret and D. M. Quinn won the men's prizes for auction and contract respectively. Progress on the organization of a ladies auxiliary was reported, an organization meeting being held Nov. 11 with Mrs. C. C. Crow as chairman.

N. J. Specials Change Plan

NEWARK, Nov. 11.—The New Jersey Special Agents Association has decided to hold luncheon-meetings in the future instead of dinner meetings. The luncheon meeting this week was attended by more than 43 members, the largest attendance in several years. Reports were made on inspections made during Fire Prevention Week. This information has been turned over to the Schedule Rating Office of New Jersey for investigation. The next meeting will be held here Dec. 7.

Splendid Work at Columbus

Some idea of the size of the job undertaken recently by the Ohio Fire Prevention Association in the inspection of Columbus may be understood from the

following figures: There were 1,794 inspections made, including 122 schools, 180 churches and 26 theaters. Over 4,000 recommendations were made. The 57 addresses made during the inspection reached a total audience of approximately 30,000, not including those listening in on the three local broadcasts.

Honor Past Most Loyal Ganders

Past most loyal ganders of the Kansas Blue Goose will be guests of honor at a dinner-dance Nov. 17 at the Topeka Country Club. H. G. Updegraff, Royal state agent, is entertainment committee chairman. A large attendance is expected as the Kansas Fire Underwriters Association is holding its bi-monthly meeting in Topeka that day. An initiation may be staged by the Kansas team that presented the model initiation at the grand nest meeting last month.

Frank Wait in the Field

Frank E. Wait, who has been with Shepherd & Co., Little Rock general agents for more than four years, has been appointed special agent. He is a son of Robert E. Wait, secretary Arkansas Bankers Association.

J. K. Shepherd, head of the general agency, has been combining office and field work and will continue to visit the agents from time to time.

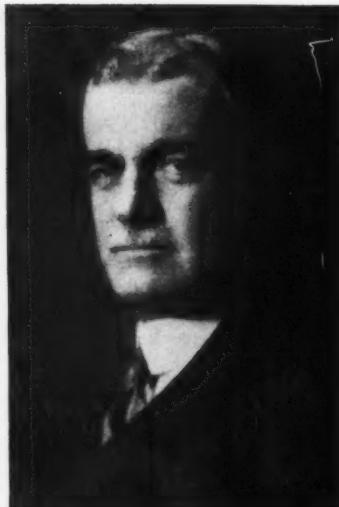
San Francisco Football Luncheon

Charles A. Colvin, Pacific Coast manager of the Providence Washington, Boston, Old Colony and Anchor, presided as chairman of the "football" luncheon of the San Francisco Blue Goose Monday. Ernie Smith, sports-caster and commentator, was the principal speaker, discussing "The 1936 Football Season."

Smoke & Cinder Club Meeting

The annual meeting of the Smoke & Cinder Club of Pittsburgh is scheduled for Nov. 16. It is claimed to be the oldest field organization in the country. The committee in charge of the meeting includes J. H. Moller, chairman, Conti-

Spokesman



RICHARD M. BISSELL

President R. M. Bissell of the Hartford Fire was the spokesman for the stock companies in the crop insurance hearing in the Department of Agriculture in Washington. A. V. Gruhn, manager of the American Mutual Alliance, spoke for the mutuals.

national; E. R. Hindley, National of Hartford, and A. G. Trager, State of Pennsylvania.

Warren Smith With Tokio

Warren J. Smith will become Ohio state agent of the Tokio and mate Standard of New York, making headquarters at Columbus. At one time he traveled the territory for the Pennsylvania Fire and subsequently for the Yorkshire.

Knoop, Jr., Is Special Agent

Edward C. Knoop, Jr., who has been in the office of the Home of New York in Columbus, O., for more than a year, has been named a special agent. He is a son of E. C. Knoop, Sr., state agent of the Aetna Fire in Kentucky.

Buffalo Puddle's Dinner

The Buffalo puddle of the Empire State Blue Goose held a dinner session, followed by an evening of entertainment. All ganders of the Empire State pond were invited to attend.

Murphy with Employers

D. E. Murphy, formerly assistant secretary of the Western & Southern Fire

and more recently in the field for the American Home Fire, will travel Minnesota and a part of Wisconsin for the Employers group with headquarters at Minneapolis.

He succeeds M. G. Irwin, who resigned to move to Florida.

Indiana Initiation Nov. 16

The Indiana Blue Goose will hold an initiation Nov. 16. Some of the grand nest officers are expected to attend and innovations are planned for putting on the ritual. A large attendance is anticipated.

Field Notes

James T. Conick, Milwaukee, special agent for the Royal Exchange and Provident Fire in Wisconsin, is the father of a son.

Fred Gaston, inspector of agencies for the Scottish Union & National with headquarters in Tacoma, Wash., celebrated his 34th anniversary with that company.

A two-day educational and inspection campaign will be conducted in Beloit, Wis., Wednesday and Thursday of next week by the Wisconsin Fire Prevention Association.

L. S. Wallace, Jr., America Fire special agent in southern Illinois, with headquarters in Centralia, was a member of the committee to welcome Commander R. E. Byrd on his recent visit to Centralia. He is the son of L. S. Wallace, Wisconsin state agent of the Niagara.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

ADVERTISING COMMITTEES

The Insurance Advertising Conference expects to hold its next meeting in New York City the first week of December. A. A. Fisk of the Prudential Life is president. Committees have been appointed as follows:

Program—C. E. Freeman, Springfield F. & M., and R. E. Brown, Jr., Aetna Casualty & Surety.

Publicity—F. J. Price, Jr., Prudential.

Membership—J. W. Mason, London Assurance, and J. A. Peirce, John Hancock Mutual Life.

Street and Highway Safety—D. C. Gibson, Maryland Casualty.

Standards of Practice—H. H. Putnam, John Hancock Mutual Life.

Accident & Health Week—C. A. Palmer, North America.

Committee to cooperate with police authorities of New York City towards the reduction of deaths and accidents by automobiles—S. F. Withe, Aetna Casualty & Surety; A. H. Reddall, Equitable Life of New York, and W. J. Traynor, North British & Mercantile.

* * *

NEW COVERAGE DEVISED

Some of the companies have begun the writing of insurance covering installation of plumbing, mechanical stokers, oil and gas burners and air conditioning apparatuses. This is insurance covering the dealer. A dealer contracts with an owner of a house to install an outfit and it may take five or six days to complete the work. Until the equipment is installed and in working order the owner has not taken possession and it is still therefore owned by the dealer. Therefore, he may have a good many of these outfits outstanding before he has turned them over to the owner. He may be without any protection.

These companies therefore have prepared an open reporting form policy covering the outfit against fire, lightning, windstorm, explosion, flood, theft (except on plumbing) and transportation hazards. The policy covers the equipment from the time it leaves the premises of the dealer until the installation is completed. There is a limit to the theft loss in that no losses are coverable unless one amounts to \$5. In addition to the equipment, the materials and tools owned by the dealer while he is on the job are covered. The premium is \$1 per installation. A deposit premium of \$2 is required for issuing the policy. There is an extension to this contract in that the dealer's outstanding balances on time payment contracts are insured at

the rate of 3 cents per \$100 a month on dwelling installation. The coverage is on fire, lightning, windstorm and transportation hazards.

HONOR PAID CARROLL DE WITT

When Carroll L. DeWitt retires as assistant United States manager of the Eagle Star & British Dominions at the close of the year, after an extended and honorable association with fire underwriting, he will be certain of the respect and affection of those who have been closest to him through the years. At the dinner tendered Mr. DeWitt by H. G. Casper, United States manager of the company, last week, the honor guest was embarrassed through the highly complimentary references made to his ability and loyalty by Mr. Casper, W. A. Blodgett, former United States manager; B. A. Jochen, assistant United States manager; W. E. Gibson, chief underwriter, and W. S. Crawford, insurance editor of the "Journal of Commerce." As a tangible expression of regard Mr. DeWitt was presented a handsome Hamilton wrist watch.

* * *

APPROVE ALTERNATIVE PLANS

At a meeting of the New York Fire Insurance Exchange approval was given the alternative plans previously recommended by the rates, rules and forms committee, for making effective reductions on certain specifically rated risks. F. A. Doyle, representing the Standard Fire of New Jersey; L. D. Krasner agency, representing the General Schuyler Fire and Richard James, Inc., representing the Maryland, were elected to class 3 membership.

* * *

WILL AWAIT A DECISION

The General Foods Corporation has notified its employees that it will retain its own retirement plan for workers pending a decision by the United States Supreme Court on the constitutionality of the social security act. Its plan has been in effect for two years. If the validity of the law is upheld, President Francis said, the management will reconsider the whole problem of retirement benefits.

* * *

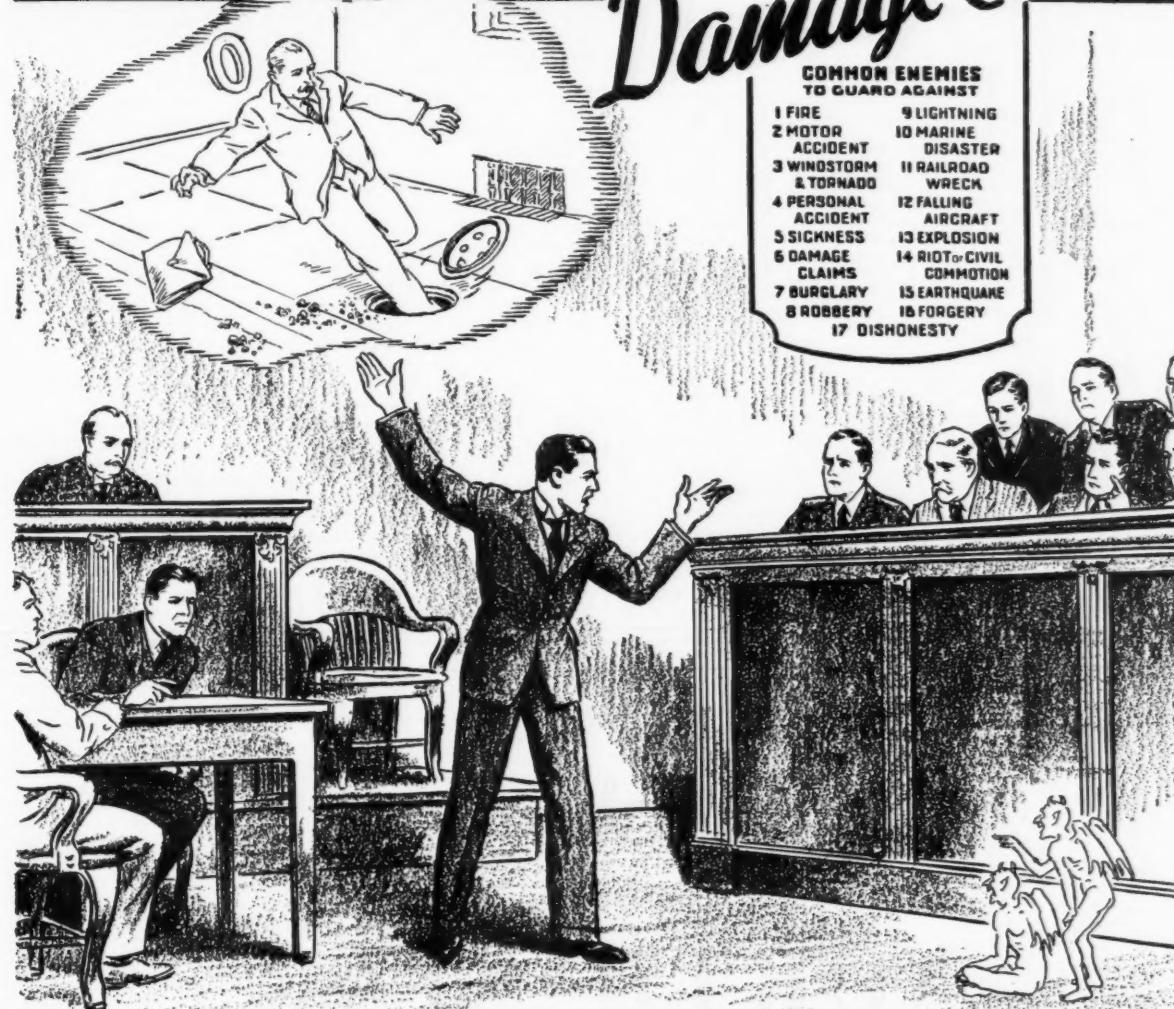
SWISS OFFICIALS IN U. S.

Paul Alther of Zurich, general manager of the Swiss Reinsurance, with which are affiliated the European General Reinsurance and the North Ameri-

PUBLIC ENEMY

No 6

Damage Claims



COMMON ENEMIES
TO GUARD AGAINST

1 FIRE	9 LIGHTNING
2 MOTOR	10 MARINE
ACCIDENT	DISASTER
3 WINDSTORM	11 RAILROAD
& TORNADO	WRECK
4 PERSONAL	12 FALLING
ACCIDENT	AIRCRAFT
5 SICKNESS	13 EXPLOSION
6 DAMAGE	14 RIOT-CIVIL
CLAIMS	COMMOTION
7 BURGLARY	15 EARTHQUAKE
8 ROBBERY	16 FORGERY
	17 DISHONESTY

Claims for Damages, arising from alleged injuries, are a CONSTANT MENACE, court calendars and insurance records testify to the fact that the public is becoming ever more claim-minded. If injury to others occurs on your property, through your fault or otherwise, a CLAIM FOR DAMAGES is almost certain to follow, and juries are notoriously liberal with other people's money. Therefore, lest the IMPS of misfortune foreclose on your savings—be forearmed with INSURANCE PROTECTION to defend your purse and safeguard your peace of mind.

LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey—ORGANIZED 1855

The Girard Fire & Marine Insurance Co. ORGANIZED 1853
The Mechanics Insurance Co. of Philadelphia " 1854
Superior Fire Insurance Company " 1871
The Metropolitan Casualty Insurance Co. of N.Y. " 1874

Milwaukee Mechanics' Insurance Company ORGANIZED 1852
National-Ben Franklin Fire Insurance Co. " 1866
The Concordia Fire Insurance Co. of Milwaukee " 1870
Commercial Casualty Insurance Company " 1909

WESTERN DEPARTMENT
644 RUSH STREET, CHICAGO, ILLINOIS
CANADIAN DEPARTMENT
461 BAY STREET, TORONTO, CANADA

EASTERN DEPARTMENT
10 Park Place
Newark, New Jersey

PACIFIC DEPARTMENT
220 BUSH STREET, SAN FRANCISCO, CAL.
SOUTH-WESTERN DEPT.
912 COMMERCE STREET, DALLAS, TEXAS

can Reassurance, is in New York City conferring with United States officials of these companies. Charles Ochsenbein, sub-manager of the Swiss Reinsurance, made the trip to this country with Mr. Alther but returned to Zurich last week.

* * *
PREMIUMS OFF 6 PERCENT

The commonly accepted figure of fire company executives in New York today as to the drop in premiums this year as compared with 1935 is 6 percent. The loss ratio is in the neighborhood of 42 and 43 percent.

* * *
ATTEND S. E. U. A. MEETING

P. L. Haid, president Insurance Executives Association, is attending the semi-annual meeting of the Southeastern Underwriters Association at Pinehurst, N. C. F. E. Burke, vice-president of the Home, is likewise in Pinehurst, being a member of the executive committee. Following adjournment, Mr. Burke will go to Columbus, Ga., to attend a directors' meeting of the Georgia Home, one of the Home fleet.

Report on State Farm Fire

A convention examination has been made of the State Farm Fire of Bloomington, Ill., by Oklahoma, Illinois, Texas, Alabama, Indiana and Pennsylvania. The examination is as of July 1. The assets are \$430,180, capital \$200,000, premium reserve \$41,621, net surplus \$161,912. The assets consist chiefly of government bonds and cash. All business is solicited through the Mutual Agency, Inc., which acquires offerings through regularly appointed agents. This is to be enforced until Dec. 31, 1950. The premiums for the first six months were \$46,067, losses \$1,800. The total income was \$56,036 and total disbursements \$30,125.

A. Martin Cozart, Augusta, Ga., local agent, is desperately ill with pneumonia.

AS SEEN FROM CHICAGO

BROKERS TO ELECT OFFICERS

New officers of the Insurance Brokers Association of Illinois will be elected at the annual directors meeting to be held at a dinner Nov. 18. The general annual meeting of members was to have been held in October but was postponed on account of the general election. In the brokers association directors elect the officers. Six directors are to be elected to fill vacancies. President R. M. Redmond will preside.

* * *
BROKERS, BOARD PACT LIKELY

Observers predict that before long, the organized, full-time brokers of Chicago and the Chicago Board will sign an agreement ending the misunderstanding that has existed for sometime. Special committees of the two organizations have been negotiating to that end on the basis of a tentative agreement on principles. The brokers' proposal for greater recognition of full-time brokers through a representative with voting power in the Chicago Board, it is said, has not been finally acted on by the board's committee, but the group is expected to get together soon for that purpose. The brokers also propose that brokers be classified, as to whether they are full-time, real estate, part-time or salaried office employe, and that the full-time broker be given preferential position. Whether this would extend to commission scale is not known, but some organized brokers have expressed belief that the well informed full-time broker, who gives a great deal of service to his clients and also performs valuable functions for the companies in many instances, is entitled to commission greater than producers

only partly in the business and securing all the services for clients through company and class 1 or supervising agencies. President R. M. Redmond of the Brokers Association holds there should be a distinction that is real between the various types, with preference for the full-timer, who is a counselor and specialist, and an active and militant producer.

* * *
LABORATORIES REINCORPORATES

The Underwriters Laboratories of Chicago which has been an Illinois corporation is reincorporated under the Delaware law. When the Laboratories was started 35 years ago the National Board subscribed all the capital. Inasmuch as the Laboratories is on a self-supporting basis it was thought best to reincorporate it as a non-profit institution. It was found impossible to do so in Illinois with its setup. The change means nothing else. The assets and plant are transferred to the new corporation. There is no change in the management or technical personnel. The Laboratories has made a great success in its line and has contributed much to the betterment of mankind.

At the meeting last week presided over by President A. R. Small there were present F. W. Koeckert, U. S. manager Commercial Union; W. D. Williams, western manager Security; W. E. Mallalieu, general manager National Board; Paul B. Somers, president American; G. H. Bell, western manager National Fire; J. C. Harding, western manager Springfield F. & M.; C. R. Street, western manager Great American, and A. G. Dugan, western manager Hartford Fire.

The relationship with the National Board continues the same, Mr. Mallalieu

being one of the trustees. C. R. Tuttle, who recently resigned as western general manager of the North America, is succeeded on the board by H. T. Cartilage, U. S. manager Royal-L. & L. & G.

* * *

CORN RULES AND RATES

Rules and rates covering insurance on corn in sealed cribs and warehouses held as collateral on loans made by the CCC have been sent by the subscribers actuarial committee to head offices. The form is to be employed only for specific insurance and it must be written for not less than full amount of the loan. There are two classes of loans, one for seed corn on which the loan value is limited to \$1.75 per bushel and the other for regular corn limited to 55 cents a bushel. The new form is approved by the CCC and is like the one used last year except that it is divided into two separate forms, "A" for use in insuring ordinary corn and "B" for seed corn. The rate is 75 cents for fire, lightning, tornado and hail. The new rules and forms apply in Colorado, Illinois, Indiana, Iowa, Nebraska, Ohio, South Dakota and Wisconsin.

* * *

VERNOR ON THE CIRCUIT

Starting Thursday of this week, with a talk before a joint luncheon meeting of the Rotary, Kiwanis and Exchange Clubs of Ferndale, Mich., R. E. Vernor, manager fire prevention department Western Actuarial Bureau, is scheduled for addresses as follows the next few days:

American home department Illinois Federation of Women's Clubs, Nov. 13, Chicago, on "Fire Hazards in the Home, Including Home Appliances Burns."

Executives, superintendents, foremen and other supervising personnel of the local industries of Columbus, O., under the auspices of the safety council of the chamber of commerce, Nov. 16, on "Fire Prevention in Industry."

Fire prevention committee of the



**NORTH STAR
INSURANCE COMPANY**

Reinsurance of Fire and Allied Lines

90 JOHN STREET, NEW YORK

200 BUSH STREET, SAN FRANCISCO

November 12, 1936

THE NATIONAL UNDERWRITER

9

chamber of commerce of La Salle, Ill., at a public meeting at a dinner in the evening, Nov. 18.

* * *

COOK COUNTY FIELD MEN ELECT

E. A. Birkemier, Fireman's Fund, was elected president of the Cook County Field Club at its November meeting in Chicago which was featured by a discussion by Wallace Rodgers of the Western Underwriters Association on "Mutual Fire Competition."

Other officers elected are: William Uruba, London & Lancashire, vice-president, and E. F. Fromm, Critchell, Miller, Witney & Barbour who was re-elected secretary and treasurer. E. W. Erickson of the Aetna, retiring president, was named a member of the board of directors for one year, as was A. H. Wishard of the Fidelity-Phenix.

Directors chosen for the two year term are: A. C. Schilke, Hartford; D. A. Bickheart, Phoenix of Hartford; F. A. Dapper, Sun; R. W. Mercer, Home, and J. J. Flood, North British.

Mr. Rodgers in his talk outlined arguments advanced by the mutuals, and constructive argument with which to overcome them. He especially stressed the "constructive angle," saying that above all things the stock companies' agents must have positive instead of negative points to present to the prospect or the policyholder.

He went over in detail the Dauwalter formula as promulgated by the Business Development Office which he said provides the best means to measure ability of fire carriers to meet uncertain and abnormal losses. Copies of this material as well as advertising bulletins to be sent to local agents were given the field men for further study.

Using the formula, he outlined advantages of the stock company over the mutual that the agent should have in his mind when talking with his clients.

* * *

President F. W. Sergeant of the New Hampshire Fire is spending a number of days in Chicago.

* * *

Frank B. Harris and John H. Burns, Jr., of the Harris, Burns & Co. agency, Wichita, Kan., were in Chicago and Rockford on business, taking time off to see the Northwestern-Minnesota football game. Mr. Burns is president of the Wichita Insurors and Mr. Harris a former president.

* * *

L. D. Stitt of the Starkweather & Shepley agency in Chicago has gone to Hot Springs, Ark., on a sojourn. E. G. Frazier, assistant manager of the Springfield F. & M., has returned from that point.

* * *

The loss managers of mutual fire companies will hold a meeting in Chicago Dec. 1-2.

* * *

Ottmar Stoll, father of H. C. Stoll, inland marine manager Millers National, died last Friday. Burial was in Chicago.

E. B. Brokaw Honored

NEW YORK, Nov. 11.—Having completed 25 years service with the Continental, E. S. Brokaw, staff adjuster, was presented a gold medal watch fob by Chairman Ernest Sturm. Nov. 10 marked the 12th anniversary of Mr. Sturm's becoming chairman of the board of the America Fore group.

Ohio Field Meeting

The Ohio Fire Underwriters Association at its monthly meeting in Columbus Tuesday was addressed by Alex Dombey, counsel for the Ohio highway patrol, who discussed the drivers' license law and the financial responsibility act. Earl B. Birong, special agent inland marine department of the America Fore, was admitted as a member. Resignations were accepted as follows: Arthur Lohmeyer, former state agent of the Aetna, who has joined the Macklin Insurance Agency in Columbus; E. Hill,

New Hampshire Fire, transferred to West Virginia, and Walter Plangman, American, transferred to Oklahoma. Mr. Lohmeyer, who is a past president of the association, was made an honorary member. The December meeting will be held Dec. 8 in Columbus. On the previous evening, a dinner dance will be given by the Blue Goose at the Athletic Club.

Auto-Owners Holds Meetings

The Auto-Owners Insurance Company of Lansing, Mich., held two "get together-get acquainted" meetings with

its representatives in Ohio and Indiana. All agents and their solicitors were invited. The first meeting was at Lima, O., followed the next evening by a similar meeting at Indianapolis. Dinner meetings were held, after which problems of agency and company interest were discussed.

Present at both meetings were V. V. Moulton, president of Auto-Owners; F. A. Wall, secretary; I. W. York, superintendent of agencies, and B. D. Forbes, Jr., underwriting department. At the Lima meeting, T. K. Mathers, Ohio state agent, was on the program, while

at the Indianapolis meeting R. W. Clark, Indiana state agent, and Fred Stalain, special agent, were present. About 90 agents and solicitors attended the two meetings.

Miscellaneous Notes

The New Brunswick Fire of the Home fleet is now permitted to write inland marine transportation in Canada, its certificate having been extended.

N. P. Barton, Sr., 54, president of the Hidalgo County Bank & Trust Company, and a member of the Barton & Son agency, Mercedes, Tex., died there.

Security for American Property Owners Since 1841



Illustration Courtesy Chicago Northwestern Railway

Security

Security—everybody wants it. Railroads obtain it with automatic train control.

Insurance companies obtain it by building strong, conservative, dependable organizations. One such company is the Security of New Haven. It has been providing "Security for American Property Owners Since 1841." It appeals to those agents who want a sound, progressive New England company in their agency.

Do Business with a Strong American Stock Company Operating Through Responsible Agents

HOME OFFICE
NEW HAVEN, CONN.

1841
Security
Insurance Company
OF NEW HAVEN, CONNECTICUT

WESTERN DEPT.
ROCKFORD, ILL.

The
East and West
Insurance Company
OF NEW HAVEN, CONNECTICUT

PACIFIC DEPT.
SAN FRANCISCO, CAL.

The
Connecticut
Indemnity Company
NEW HAVEN, CONNECTICUT

False Alarm Dangers Are Stressed by Eddie Cantor

The solution to the serious question of false fire alarms was aided greatly by the recent "Fire Chief" broadcast of Eddie Cantor. In the skit a boy is arrested for turning in a false alarm. Saying it was just a joke the boy commented: "Well, me and the fellows were talking about how firemen don't do nothing all day—just sit around taking it easy."

Eddie Cantor replied: "Yes, they just sit around, but remember, a fireman is chained to his post, but when he's at a fire, he doesn't lay down his tools when the clock strikes quitting time—he quits only when he's too exhausted. His wife is never sure he'll come home in time for supper. Sometimes he comes late, sometimes he doesn't come home at all."

"Young man, not only in fires—but in floods, in earthquakes—in any major emergency, he's ready to risk his life—and for what? His average pay is less than \$30 a week! The fireman is always at your beck and call—but to call him just for fun—that's criminal!"

Further along the skit tells that the

fire truck answering the false alarm skidded and one of the firemen was injured. Mr. Cantor brings out the fact the joke might cost the life of a man and the boy who turned in the alarm for fun might be classed as a murderer.

The skit is concluded with Eddie Cantor's admonition: "I only wish that every one else—everyone who ever thought of turning in a false alarm would stop and think how serious it is and would remember the many sacrifices made by firemen. The Bible says, 'Greater love hath no man than this, that he lay down his life for a friend.' The fireman goes even further—sometimes he lays down his life for a stranger."

The copy of the script was secured from Eddie Cantor by John J. Falvey, Chicago broker who is deeply interested in fire department affairs, inasmuch as his father is a retired captain of the Chicago department and his brother is now chief of the battalion covering Chicago's loop district.

No Trips Being Arranged

NEW YORK, Nov. 11.—No attempt will be made to arrange groups to go to the meeting of the National Association of Insurance Commissioners at Hot Springs, Ark., according to J. J. Magrath

of the New York department, who was delegated by Secretary J. G. Read to handle the transportation question. There are two routes from the east, Mr. Magrath states, one via St. Louis and the other by way of Memphis. Those desiring to stop off at Knoxville for a view of the Norris Dam or at Chattanooga will be privileged to do so, concessions to that end having been secured from the railways.

An exceptionally large attendance is expected. Because of the Life Presidents Association meeting in New York Dec. 3-4, most of the eastern contingent will not arrive at Hot Springs until Monday morning, Dec. 7. President Ernest Palmer and Secretary Read will arrive Sunday to complete details of arrangement for the three-day meeting and to establish headquarters at the Arlington hotel.

St. Paul F. & M. Men on Tour

C. F. Codere, vice-president of the St. Paul Fire & Marine, and Paul McKown, head of the production department, are on a trip to the Pacific Coast. Vice-president J. C. McKown is visiting some of the central west and eastern agencies.

C. E. Cady has retired from the Cady, Inc., agency, Hamburg, N. Y., the firm name having been changed to the Hamburg Mutual Agency.

Wisconsin Controversy on Marine Business Settled

COMPROMISE ORDER ISSUED

Reporting Requirement Retained Only on Lines Where Basic Fire Rate Is Used as Factor

MADISON, WIS., Nov. 11.—The controversy between the Wisconsin department and marine writing companies regarding Commissioner Mortensen's order compelling all fire companies writing marine insurance to report that business through the fire insurance rating bureaus has been settled on a compromise basis which the companies apparently are willing to accept.

A new order has been issued, excluding certain classes of marine business from the reporting requirement, but apparently retaining it as to all classes where the basic fire rate is used in building up the rate for the marine coverage, such as the personal property floater, fine arts, jeweler's block, theatrical floater, horse and wagon, movable equipment, miscellaneous articles, motor boats, bailee's customer's, furrier's customer's and instalment floater.

Order Caused Furore

Commissioner Mortensen's original order was issued Sept. 19 and caused a great furore among the marine men. Application for rehearing was filed and enforcement of the order was held up pending action on it. Negotiations for a settlement have been under way for some time and recently Paul L. Haid, president Insurance Executives Association, visited Madison in an effort to iron out the difficulty.

The new order, which is effective Nov. 15, requires:

1. The rates of a licensed actuarial bureau must be used in determining the premium to be allocated to the fire or tornado hazard.

2. On risks or classes of risks for which the actuarial bureau has not provided rates for the fire or tornado hazard, the actuarial bureau will file with the department for approval a schedule indicating the percentage of the premium charged on the policies which is to be allocated to the fire or tornado hazard.

Exceptions Are Noted

3. For the information of companies, actuarial bureaus are instructed to indicate on daily reports of marine policies the correct fire or tornado premiums.

4. All daily reports of marine policies issued in Wisconsin must be sent through an actuarial bureau, except the following: Registered mail; parcel post; property in actual process of shipment, while in transit and not exceeding 30 days after arrival at consignee's or purchaser's premises or other place of storage or deposit; imports and exports from and to foreign countries; bridges and tunnels; tourists floaters; personal effects floaters excluding permanent residence of assured; personal fur floaters; personal jewelry floaters; personal silverware floaters; personal musical instrument floaters; radium floaters; film floaters; salesmen's sample floaters; physician and surgeon instrument floaters; machinery and equipment installation risks; wedding present floaters and exhibition property floaters.

New Alberta Arrangement

Under a reorganization of the insurance branch of the Alberta government, all provincial government and telephone insurance will be placed with an English company. E. C. Manning, provincial secretary, says premiums will be reduced \$50,528 over a three-year period.

A new agency has been opened in Salt Lake City by the **Union Investment Company**.



A good way to build up income!

SELL
SPRINGFIELD GROUP
AUTOMATIC BUILDERS
RISK POLICIES

(Full information on request)

**The SPRINGFIELD GROUP
 OF FIRE INSURANCE COMPANIES**

Geo. G. Bulkley, President

SPRINGFIELD FIRE & MARINE INSURANCE CO. . . SPRINGFIELD, MASS.
 CONSTITUTION DEPARTMENT . . . SPRINGFIELD, MASSACHUSETTS
 SENTINEL FIRE INSURANCE COMPANY . . . SPRINGFIELD, MASS.
 MICHIGAN FIRE & MARINE INSURANCE COMPANY . . . DETROIT, MICH.
 NEW ENGLAND FIRE INSURANCE COMPANY . . . PITTSFIELD, MASS.

Wisconsin Mutual Group Holds Annual Gathering

MILWAUKEE, Nov. 11.—With the largest attendance on record, 282, the Wisconsin State Association of Mutual Insurance Companies held its annual two-day convention and mutual insurance school in Milwaukee. President Henry Weihbrecht, Milwaukee, secretary Badger Mutual Fire, reviewed progress of mutual insurance in Wisconsin, pointing to gains made in cities and small towns. Loss records have been improving and mutuals are improving their position in fire insurance, he said.

Valuation and its relation to insurance was discussed by R. H. Barton, of Schiffler & Co., Milwaukee adjusters. H. M. Wilke, Madison attorney, speaking on the fire insurance contract, warned against deviation from the standard policy form as opening the door to fraud. Carl Taylor, Milwaukee, executive secretary Wisconsin Building & Loan League, suggested closer relationship between building and loan associations and mutual fire companies.

Building up a mutual agency was the subject of Erwin Albrecht, Oshkosh agent. E. L. Poor, Chicago, editor "Journal of American Insurance," told of the history of mutual insurance. County Judge Frank Bucklin, West Bend, Wis., was principal speaker at the banquet.

The annual school featured an open forum on mutual insurance problems. The annual business meeting will be held at Milwaukee in December.

Iowa Mutual Company Rally in Des Moines Next Week

DES MOINES, Nov. 11.—Harry P. Cooper, of Indianapolis, secretary of the National Association of Mutual Insurance Companies, Indianapolis, Ind., will be one of the principal speakers at the annual convention of the Iowa Association of Mutual Insurance Associations here Nov. 18-19. The annual address of President Otto Walther, Waverly, Iowa, will be read and the report of Secretary H. L. Gross, Des Moines. Other speakers are Commissioner Ray Murphy of Iowa, and Deputy Commissioner M. V. Pew; John W. Kimball, chief examiner, Iowa department; L. K. Sharp, advertising manager, Mill Owners Mutual Fire, of Iowa; J. V. Pyle, Iowa state fire marshal; H. H. Beaty, extension assistant in agricultural engineering, Iowa State College; Prof. Henry Giese, Iowa State College; B. P. Virtue, extension assistant in agricultural engineering, Iowa State College; Mayor J. H. Allen, Des Moines; Roy Welch, Des Moines city finance commissioner; J. L. Stevens, Mason City.

Previous to the convention, there will be held the annual meeting of the Farmers Mutual Reinsurance Association. A. G. Ossiam is president, and John Evans is secretary.

The annual meeting of the Iowa Mutual Tornado Association will be held Nov. 17.

Ohio Mutual Club Meets

The Mutual Fire & Casualty Association of northwestern Ohio held a meeting at Bowling Green, O. Miss Jessie Rider, Ellsworth Agency, was in charge of program. C. O. Garver, special agent,

RATE MAN WANTED

Experienced man thoroughly familiar with fire insurance rating and procedure, capable of developing and supervising rate making methods and organizations. Give full particulars—education and experience. Replies will be held in strictest confidence.

ADDRESS D-86, NATIONAL UNDERWRITER

Associated Mutual Fire Underwriters, talked on fire forms that protect the agent against competition by protecting insured against all insurable hazards. M. P. Jefferys, district manager, Michigan Mutual Liability, discussed "Non-Ownership and Garage Liability policies." The slate nominated for action at the December meeting is: President, W. D. Pearse, Fremont; vice-president, R. A. Shenefield, Toledo; secretary, W. J. Flamand, Toledo; treasurer, C. I. Boyd, Toledo.

Kramer Heads Reliable Fire

E. J. Weiss Has Been Elected Secretary and John W. Kramer Assistant Secretary of Company

W. F. Kramer, secretary and manager of the Reliable Fire of Dayton, O., has been elected president to succeed the late F. J. Bucher, who died Oct. 10. Mr. Kramer has been secretary since March, 1913, and general manager since January, 1918. He will continue in the latter capacity. He went with the Reliable in 1897. He has been a instrumental factor in building the company.

E. J. Weiss is made secretary and John W. Kramer, assistant secretary. Mr. Weiss went with the company in October, 1913, as special agent and then was called to the home office as assistant secretary. John Kramer is a son of President Kramer, joining the company three years ago after serving in the Toledo office of the Ohio Inspection Bureau. He is a graduate of the Armour Institute fire protection course.

Dolle Tendered a Luncheon

W. P. Dolle, prominent Cincinnati agent, was tendered a luncheon by his associates in recognition of his 42nd anniversary in the insurance business, with over 30 in attendance. He entered the business in Cincinnati in 1894 with the O. J. Wiggins agency. W. P. Dolle & Co. was established in 1902 and in 1904 the agency name was changed to Gray, Dolle & Latta with the merger of Adam Gray & Co., established in 1872. Later, after the death of his partners, Adam Gray and Clifford Latta, Mr. Dolle resumed the name of his original agency. Congratulatory telegrams from the companies represented in the agency were read at the luncheon.

Will Explain New Jersey Plan

John A. Lloyd, secretary of the Ohio Association of Insurance Agents, will discuss the New Jersey plan recently adopted in Ohio for the equitable distribution of state business and the situation with respect to insurance on financed automobiles before the Cincinnati Fire Underwriters Association Thursday.

Richmond Names General Agency

The L. C. Dobbert General Agency, 611 North Broadway, Milwaukee, has been appointed general agent in Wisconsin for the Richmond, a member of the Crum & Forster fleet.

N. Y. Agencies Pay Fines

NEW YORK, Nov. 11.—Four of the five local agencies on which fines were recently imposed for violation of the commission rule of the New York Fire Insurance Exchange have made partial payments. The fifth office is out of business.

Veteran Adjuster Dies

J. L. Favreau, veteran adjuster, died at his home in Pittsburgh. First connected with the Scranton office of the General Adjustment Bureau in 1900, he was transferred to the Pittsburgh branch in 1921, since serving continuously until his death.

"Will You See That Game... If An Accident Cripples Your Car?"

With this thought-provoking question, Alliance national advertising for November introduces a vivid discussion of autumn driving dangers; strongly cautions the utmost care and urges every car owner, for his own protection, to "Ask the Alliance Agent"

THE ALLIANCE INSURANCE CO. of PHILADELPHIA



Head Office: 1600 Arch St., Philadelphia
Chicago Office: 209 West Jackson Boulevard
San Francisco Office: 231 Sansome Street

Crop Coverage Is Conference Topic

(CONTINUED FROM PAGE 3)

finally by the committee, Secretary Wallace said, but plans under consideration contemplate insuring only crop yields and not prices. The committee, he said, has been especially interested with both premiums and losses to be paid in kind to assure a more stable supply of farm commodities in the interest both of producers and consumers. While the committee recognizes rates will vary according to territory, no effort has been made as yet to figure out premiums.

No estimate has yet been made as to how much money would be needed to inaugurate the insurance plan, nor to what extent the government would share in the expense, although the secretary expressed the belief it should bear a large percentage of administrative costs.

Secretary Wallace said the committee is unlikely to propose any plan for insuring farm prices and incomes directly, but the insuring of yields would contribute to greater stability of both prices and income. He said insurance would be optional with farmers and

rates should be based largely on production record of individual farms as hazards vary considerably in different parts of the country.

Dr. A. G. Black, chief bureau of agricultural economics, reported on extensive research undertaken by the bureau in an effort to establish a sound actuarial basis for crop insurance. He said that until records of the AAA covering several million individual farms producing wheat, corn, cotton, and other crops became available, data for establishing an actuarial basis was extremely limited. Three important points of any crop insurance program, he said, are determination of yields on individual farms so as to provide a basis for rates; collection and assembling of premium payments by farmers whether in cash or in kind, and storage of products in years of abundant production to be available for payment of losses in years of crop damage. Crop insurance should be considered as an auxiliary or corollary program to other agricultural policies and program, he said, such as storage of farm products in bountiful years to tide over the lean years.

Insurance men attending the conference included R. M. Bissell, Hartford Fire; H. P. Cooper, National Association of Mutual Insurance Companies, Indianapolis; B. M. Culver, Continen-

tal, New York; A. V. Gruhn, American Mutual Alliance, Chicago; Wilfred Kurth, Home, New York; J. O. Platt, North America, New York; Paul I. Rutledge, and J. C. Stepel, Farmers Mutual Hail, Columbia, Mo.; F. O. Rutledge, Farmers Mutual Hail, Des Moines; E. J. Sloan, Aetna, Hartford, and C. F. Morgan, Square Deal Mutual Hail, Des Moines.

G. H. Davis of Kansas City, Mo., vice-president Terminal Elevator Grain Merchants Association, told the committee association members would be glad to warehouse wheat by the year under a crop insurance program at one-half the regular commercial rates, or about six cents a bushel per year on grain which would not require special treatment for high moisture content.

The crop insurance idea first was broached to a group of company officials some months ago following appeal to the RFC by turpentine producers of North Carolina and Georgia for a loan to tide over a then existing emergency in their line. The RFC was inclined to consider the appeal favorably, providing insurance on turpentine yielding trees could be secured against loss through destruction by fire. Government agencies had worked out an elaborate and complicated method of rating the hazard, under which tree owners were to assume the initial 15 percent of any loss before the insurance carriers became liable.

While underwriters listened attentively to all that was said and expressed their willingness to cooperate with the government's efforts in every possible way, they declined to write indemnity along the lines proposed. They argued that the hazard was such that no safe basis for measuring it existed, and that the possibility of loss was so great that no company would be warranted in assuming it. Later the idea of general crop insurance was advanced.

Missouri Reciprocal Shows Sharp Decline in Surplus

(CONTINUED FROM PAGE 3)

through agents and brokers. The lumber business, which is written on the assessment plan, has been gotten through salaried representatives. The attorney-in-fact received 20 percent on all premiums. The total expense ratio on the general cargo and automobile business has been running 46 percent as against 35 percent on the assessable lines.

It is interesting to know that the reciprocal operates under power of attorney signed by each subscriber. When the concern began writing non-assessable and non-participating business a new power of attorney was used. The old form which was employed prior to Jan. 1, 1933, made the subscriber liable for the assessment of one annual premium. It required that a separate account should be maintained for each subscriber. When policies began to be issued agents and brokers the provisions relating to participation in profits and assessments were eliminated. The management holds that in issuing non-assessable contracts it was acting within the authority allowed it by the assessable policyholders. This action, the management claims, was ratified by the advisory committee, elected by the members and the amended power of attorney was filed with the insurance departments in each state where it was licensed.

This naturally will be a highly controversial point inasmuch as the non-assessable business developed a heavy loss and this has been charged against the accumulated surplus of the individual accounts of the assessable or lumber members.

ACTION IN ALABAMA

MONTGOMERY, ALA., Nov. 11.—Commissioner Julian of Alabama, has instructed agents of the Manufacturing Lumberman's Underwriters not to write any new business until its reinsurance

His Honor the Mayor



JOHN F. STAFFORD, Babson Park, Fla.

John F. Stafford of Babson Park, Fla., rock bound, rock-ribbed, never-die Republican, survived the great Democratic landslide by polling every vote in his city, as a candidate for mayor. He was elected mayor of Hillcrest Heights in Polk county, which surrounds Hillcrest Lodge, exclusive winter colony, 17 votes being cast and Mr. Stafford capturing all. Mayor Stafford also has a Republican council of three members. Mr. Stafford owing to this great feat of a northern Republican going to Florida and getting elected hit the front page of the Tampa "Tribune," Lake World "News" and Lake World "Calendar."

contract with the Atlas Mutuals has been approved by the Missouri department. Under terms of the contract no return premiums will be granted to policyholders unless they accept the Atlas Mutuals as their carrier. Alabama agents who have been much beset by reciprocal competition were much interested in the announcement of the reinsurance contract.

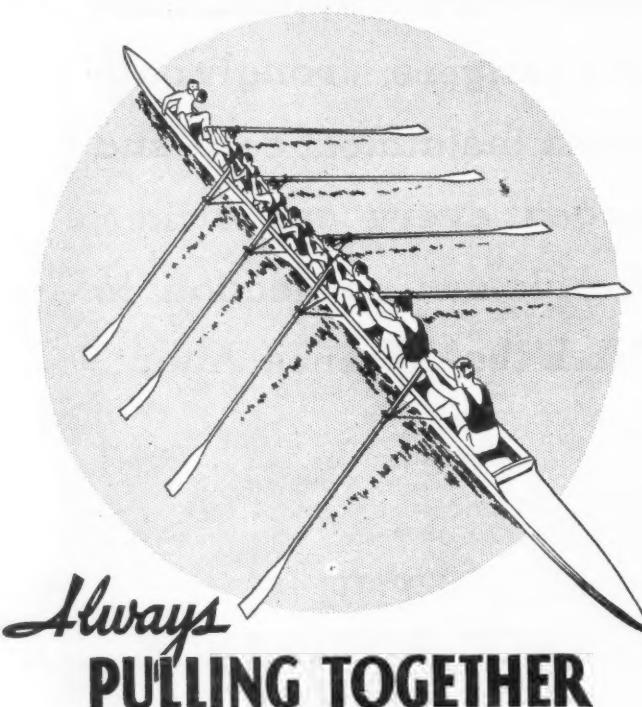
STILL CONSIDER ATLAS PLAN

KANSAS CITY, Nov. 11.—The advisory committee of the Manufacturing Lumbermen's Underwriters here has been considering for several days, and still is considering, a reinsurance contract by which all of its outstanding business would be assumed by the Atlas Mutual. Atlas Mutual was incorporated in November last year. It has practically the same official family as does Rankin & Benedict, attorneys-in-fact for the Manufacturing Lumbermen's, and its offices on the twenty-first floor of the Fidelity bank building here are connected by inner-office stairway with offices of the Lumbermen's on the twenty-second floor.

The reinsurance contract has to be approved by the advisory committee of ten, elected by and from subscribers to the reciprocal, and also by the Missouri superintendent. Commissioner O'Malley, was in Kansas City last week, and it is understood that he does not oppose the reinsurance plan. However, he returned to Jefferson City Saturday when it became apparent that opposition to the plan would delay the advisory committee's okay.

Sources close to the situation believe opposition to the reinsurance plan originated principally among interests outside the exchange, and that these interests would dislike seeing a reciprocal pass out of the picture.

At the convention of the National Association of Mutual Fire Insurance Companies in Philadelphia the Hamilton County Mutual Fire of Cincinnati was awarded second prize for excellence of display advertising.



Always PULLING TOGETHER

This company prides itself on working 100 percent with its agents . . . Working always toward a greater volume of mutually desirable business . . . Are YOU one of our agents?

Managed by
R. B. JONES
and SONS
Inc.

KANSAS CITY Fire and Marine

INSURANCE COMPANY

CHICAGO OFFICE:
INSURANCE EXCH

KANSAS CITY
MISSOURI

S. E. U. A. Tightens Its Finance Rule

(CONTINUED FROM PAGE 5)

normal, some sections reporting an all-time peak.

"Due to severe drought conditions, the cotton crop will not be as large as that of former years. The increased price, ranging around 12 cents per pound, will compensate largely for the shortage in crop and will bring prosperity throughout the cotton belt.

"All of the developments recited above have not had a very appreciative effect on the premium income. Demand for products from agriculture and industry has kept inventories at a minimum, so despite the activities recited, little additional premium income has been noted.

"Building operation has steadily increased, especially in the dwelling classification, and there is also an appreciable pick-up in the construction of small mercantiles and apartment houses with this increased trend in building operations, we should expect an increase in premium volume to reflect itself in 1937. While commodity prices generally have risen, due to the modern methods of merchandising, inventories have not increased, so no increased volume of premiums has been received from the mercantile and market classes.

"Loss ratio continues low, even though there has been an estimated increase of from 15 percent to 20 percent as compared to the same period of the previous year. There is a definite trend which indicates that losses are again headed toward a normal loss ratio for this territory.

"There has been a steady increase in losses among the woodworking class, many of the losses being for large amounts."

It is anticipated consideration will be

given the adoption of an agreed amount use and occupancy form, in place of the coinsurance form now in use. Impetus to the suggestion which had been favored by some underwriters for a considerable time was given through difficulties that arose in handling the use and occupancy coverage on the famous Loveman, Joseph & Loeb department store loss at Birmingham, Ala., March 10, 1934.

While adjustment of the building, stock and machinery claim was effected promptly and satisfactorily, considerable disagreement arose in connection with the use and occupancy feature; its handling dragging along for several months before final settlement. Had the line been covered by an agreed amount form, underwriters feel, the claim could have been disposed of quickly and completely.

Already Sanctioned

The agreed amount use and occupancy form was sanctioned by both the Eastern Underwriters and Western Underwriters Associations early in the present year, and the expectation is that their example will be followed by the S. E. U. A. if not at this time, certainly in the near future.

Frank E. Burke, whose retirement as vice-president of the Home at the end of the present year was announced a month ago, will also retire as a member of the executive committee of the S. E. U. A., upon which Mr. Burke has served for a number of years. It may be that a successor may be named at the December gathering of the committee, or it may go over until a later period.

The fire premium income of the south this year will probably show a 10 percent decrease from that of 1935. Rate reductions and lack of new business are cited as responsible causes. There has been little industrial development in the territory thus far, although confidence is expressed that improvement in such direction may be looked for now that the election period is over.

Study the Tax Features of Obsolescence Cover

NEW YORK, Nov. 11.—Dr. Hans Heymann of Germany who has been in this country several weeks seeking to promote interest in obsolescence insurance, is reported to be optimistic as to the prospects here. He has obtained some encouragement from the savings banks and he is said to be optimistic over the prospects for raising capital for an obsolescence insurance company. He intends to work for the passage of a law in the New York legislature authorizing the sale of obsolescence insurance. His scheme in Germany was advanced by the consideration that premiums paid for obsolescence insurance were deducted as an expense in computing taxable income whereas the government authorities would not have permitted an equal amount to be set aside as a depreciation reserve. His scheme is being given attention in this country at this time, it is said, because of the possibility of using obsolescence premiums to overcome some of the effects of the undistributed profits tax. Dr. Heymann is said to have made some inquiries about obtaining reinsurance. He is working in connection with the Certified Building of Registry or Lloyds Register of Buildings.

Hail Situation Reviewed; Advisory Committee Meets

Heaviest hail losses sustained on growing crops the past year occurred in Iowa and Kentucky, according to data discussed by the advisory committee of the Western Hail & Adjustment Association, meeting in Chicago. The losses were: Iowa, 69.53 percent; Kentucky, 95.01 percent, both caused by continuous averages.

All companies' business transacted on growing crops showed total premiums of \$2,353,628 and losses of \$785,571. Loss ratio was 33.38 percent.

The executive committee will convene Tuesday, in Chicago, to take action on the recommendations of the advisory unit. Members of the latter attending this week were:

J. B. Cullison, Jr., Aetna, North America and Springfield Fire & Marine; Jacob Nelson, America Fire; T. G. Dahl, Great American; B. E. Thorp, Hartford; G. L. Cavanaugh, Harmonia Fire; F. H. Cornell, Home; F. M. Gund, Crum & Forster; L. B. Van de Wall, Northwestern Fire & Marine, and E. G. Tanner, Security.

The nominating committee consists of E. A. Henne, chairman; W. H. Lininger and C. R. Street.

New Galveston Company

The American Fire of Galveston has been chartered with \$100,000 capital and \$200,000 surplus by officials of the American Indemnity and the Texas Indemnity.

Colehour's Agency Meets

Colehour's Insurance Agency of Rockford, Ill., held its quarterly meeting, with company representatives discussing claims presented to date under the supplemental contract, the house-trailer and its insurance problems, the new automobile policy, insurable value of buildings—less depreciation. Moving pictures in color were shown by F. E. Colehour, taken on a trip to the west coast this summer. Among guests and company representatives present were: Carl Welsh, Rockford attorney; R. S. Chaloner, assistant manager, American Automobile, Chicago; H. J. Lambin, Buffalo; F. J. Dudley, Merchants Fire; H. R. Prince, Northern; R. V. Haser, Ohio Farmers; Don McVay, vice-president, Ohio Farmers; W. J. Jeffery, D. T. Harper, J. J. Dondore and H. A. Shactner, United States Fidelity & Guaranty.



YOUNG IDEAS!

Lex may be an Old Lion, but he's no old fogey! He has kept his Independent Spirit and remained free of groups and sparring partners for 95 years.

Youthful ideas are the only companions he will entertain. Aggressive sales-minded agents are his bosom pals.

Lex has courage! He's a Fighter!

Ask him to show you what he's doing to help agents in the fight for business.

A proven prize-winning Direct Mail Plan, which has produced results for hundreds of Agents, is available to all those who represent the Camden Fire. Lex invites you to be one.



CAMDEN FIRE INSURANCE ASSOCIATION

Camden, New Jersey

RELIABLE
Fire Insurance Co.
of DAYTON, O.

For Indiana
C. R. Dobkins

Special Agents
for Ohio
Harry J. Favorite
R. E. Metzger

For West Virginia
Fred C. Campbell

"The mill will never grind with the water that is past."

—DOUDNEY.

A thought expressing one of the fine things of the insurance business. We profit by experience and then look to the future. A friendly background accordingly becomes one of our most valued assets.

"Your Friendly Company"

**SECURITY FIRE
INSURANCE COMPANY**
DAVENPORT, IOWA

"PROTECTION SINCE 1883"

**GULL
INSURANCE COMPANY**

Rated A+

Policy Holders' Surplus Over \$2,000,000.00

**ATLANTIC
INSURANCE COMPANY**

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Policy Holders' Surplus Over \$400,000.00

Offer Unexcelled Facilities in

**Fire, Tornado, Automobile (including
Liability), and Plate Glass**

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Vice-President**

**T. R. Mansfield
V. P. and Sec.**

Not Many Changes Are Anticipated

(CONTINUED FROM PAGE 3)

already been made to keep a vast majority of Democrats in state jobs.

In Tennessee it is hoped that Commissioner Tobin will be reappointed, although a new governor was elected, he, however, being a Democrat. Governor-elect Browning was chosen by a large majority and E. H. Crump, well known Democratic leader at Memphis, is responsible for a good part of the campaign. Mr. Crump was instrumental in having Mr. Tobin appointed commissioner by Governor McAllister. If Mr. Crump gets behind Mr. Tobin again there is no doubt about the latter's being reappointed.

The general feeling in South Dakota is that Commissioner Dawson will be replaced, although he has made an excellent record. Two names have already been mentioned as possibilities, they being Pat Dunn and W. N. Van Camp, who was formerly commissioner.

McClain Will Likely Continue

It is generally understood that Commissioner McClain will continue in Indiana. The faction of the Democratic party which was friendly to retiring Governor McNutt was triumphant in the gubernatorial landslide. Mr. McClain is an appointee of Governor McNutt. His office is efficiently managed and the people in general are well pleased with the showing he has made. He secured the adoption of an insurance code in his state two years ago.

It is generally felt that Commissioner Mortensen of Wisconsin will be appointed for the term ending July 1, 1939. His term expired July 1, 1935. No insurance commissioner so far has been reappointed in Wisconsin but the general feeling is that Governor LaFollette will continue Commissioner Mortensen in office. The governor evidently was playing safe in not making any appointments as the senate was organized against him. Although the new Wisconsin senate will stand 16 to 17, nevertheless, there are a number of men in the conservative ranks in the body who believe that all the appointments should be confirmed. Governor LaFollette's closest friends have indicated that Commissioner Mortensen's administration has been entirely satisfactory to the public.

Murphy of Iowa Not Affected

The election of a new governor in Iowa will not affect Commissioner Murphy of Iowa as his term is for four years and does not expire until July 1, 1939. In Iowa the governor is elected for two years and hence whoever is elected in 1938 will appoint the commissioner.

Commissioner Hobbs was reelected in Kansas by about 20,000 majority, although the state went Democratic, both nationally and for governor. He will enter his fourth term. He received a good margin over his Democratic opponent, J. H. Edwards, former Kansas life company official. Few if any changes are expected in the Kansas department as a result of the reelection of Mr. Hobbs, who has the general cooperation of the insurance interests as a whole.

Situation in Minnesota

So far as the Minnesota department is concerned, there is no immediate change in its setup likely. Commissioner Yetka has four years yet to serve of his six-year term and he undoubtedly will be reappointed if he desires the position longer. There is, however, the report that he may resign before his term expires to take some other state post or to return to private law practice in northern Minnesota. The post of deputy insurance commissioner vacated by Deputy Johnson a few weeks ago has not been permanently filled.

O. E. Erickson won in the election in North Dakota, defeating S. A. Olsness.

Mr. Olsness served the state many years as commissioner. Commissioner Hopson lost out in the primaries.

Commissioner DeCelles of Massachusetts is not likely to be affected by the election. He was appointed for a three-year term by a Democratic governor. He has a year and a half to run. Another Democratic governor has been elected and therefore it is not predicted that he will be molested in any way.

A Republican governor was elected in New Hampshire. Commissioner John E. Sullivan is a Democrat. He has lived through Democratic and Republican administrations and it was the feeling among Mr. Sullivan's friends that the present governor would reappoint him. However, there seems to be some doubt as to this. Nothing definite has been learned.

Commissioner Smith Safe

There seems to be no doubt as to the reappointment of Commissioner Smith of Utah, who is regarded as one of the strongest men who has sat in his chair for a long time. He has done some constructive work which has appealed to the public. Commissioner Smith is a Democrat and his party won a decisive victory in Utah. In fact Commissioner Smith is one of the original backers of the governor.

One of the predictions in Ohio preceding the election was that while President Roosevelt would carry the state, Governor Davey, the Democrat, who was up for reelection, would be defeated because of the animosities he had created. It was generally taken for granted that Attorney General Bricker, his Republican opponent, would be elected. However, Governor Davey came through with the great Roosevelt landslide. Superintendent R. L. Bowen, who has built up one of the most effective state departments will therefore carry on.

Benesch Will Likely Stay

Ohio insurance men feel that A. A. Benesch will undoubtedly remain state director of commerce, the insurance department being one of the bureau under his supervision. R. L. Bowen will continue as insurance superintendent. However, there is a general report that another person will be named to succeed State Fire Marshal Frank Henry.

What might be called the stormy petrels in the supervisory official ranks will all undoubtedly continue. The men who have created more talk than any others are DeCelles of Massachusetts, Hunt of Pennsylvania, Palmer of Illinois, O'Malley of Missouri and Sullivan of Washington.

Commissioner Ham of Wyoming has two years yet on his four-year appointment and hence will not be disturbed.

Smrha Sure to Remain

The reelection of Governor Cochran of Nebraska undoubtedly means the retention of Commissioner Smrha as head of the insurance department. Since he entered the bureau he has applied himself very assiduously. For the first time the bureau has been recognized by having made available to it the services of a trained lawyer, John S. Logan.

Those who are close to the political situation in Idaho believe that Commissioner W. H. Bakes, who was appointed four years ago by a Democratic governor, will be continued by the newly elected governor of the same political persuasion.

The election of Deputy Commissioner M. J. Bradley of Pennsylvania to Congress has created considerable conjecture as to just who will be named to succeed him in the department. Strange to say, no names have yet been mentioned. Commissioner Hunt stated that he was giving the matter thorough consideration and that he does not know at this time just who the successor will

be. However, the commissioner made it clear that he was seeking a man capable of filling the post; one that would prove acceptable to all of the insurance interests.

Commissioner Gentry of Arkansas is not likely to be reappointed and at this time it is impossible to state who is likely to secure the post. Commissioner Gentry has made a very acceptable official but it is definitely known that he will not be reappointed.

SITUATION IN TEXAS

Discussion has begun in Texas as to whether Governor Allred, who has been elected for the second term, will make a change in the fire insurance commissioner. R. S. Mauk who holds the post now is a very live man and has given satisfaction both to insurance people and the public. However, it is rumored that Marvin Hall of Brownsville, now serving as state tax commissioner, may get the position. He was Governor Allred's campaign manager and did a very fine job. Recently he promoted the tax commissioner and appointed Mr. Hall in his place but explicitly announced that it was only temporary. This undoubtedly means that he intends to give Mr. Hall a new post. R. L. Daniel, the life commissioner, holds until 1939 and R. G. Waters, casualty commissioner, rules until 1941.

John J. Holmes, insurance commissioner of Montana was elected over George P. Porter by a plurality of 36,482. Mr. Holmes is a Democrat and was opposed by George P. Porter, Republican, who was former commissioner.

L. N. Nicholson, local agent for more than 30 years in Lyndhurst, N. J., died there following a short illness.

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UNITED FIREMEN'S CASE REVERSED

WASHINGTON, D. C., Nov. 11.—Reversing a decision of the first circuit court of appeals, the United States Supreme Court affirmed a verdict of \$17,000, plus interest, given by the district court for Puerto Rico to Jose Rivera Soler & Co., in a suit against the United Firemen's for recovery under a fire policy of \$30,000.

Following a fire, the concern presented sworn proof of loss exceeding \$35,000 and demanded full payment of the policy, which was refused. An action to recover was brought and a judgment secured in the district court which was affirmed by the first circuit court of appeals.

REMANDED ON REHEARING

A rehearing of the case was secured, as a result of which the original judgment was vacated and the cause remanded to the trial court on the ground that the original verdict was contrary to law and the amount of the loss fixed by it so inconsistent with the proof of loss and the provisions of the policy as to show that the sworn proof of loss was fraudulent. This contention was upheld by the circuit court as being evidenced that the trial court returned a judgment for \$17,000 on a \$30,000 claim.

"We cannot accept the view that a conclusive presumption of fraud arose because the verdict was far less than the amount stated in the proof of loss," the Supreme Court commented in its opinion. *** "The finding for the assured indicates that they (the jury) discovered no fraud. Policyholders may present inaccurate proofs of loss without conscious dishonesty or intent to defraud; different views of values are common; memory is faulty; insurance company and assured often entertain widely different views concerning the policy; and evidence cannot always be produced to establish something declared to be true in entire good faith. ***

FIND NO FRAUD EVIDENCE

"Although the court below, in its first opinion, clearly overruled assignments based upon the 'Iron Safe' clause and said nothing about them in the second, counsel insist that they are before us and adequate to support the questioned judgment. If, in the circumstances they can be considered at all, it is enough to say that the jury was well instructed concerning the necessity of complying with that clause; the verdict negatives the notion of fraud. There was con-

Mailing Policy Presumptive Evidence Only of Delivery

LINCOLN, NEB., Nov. 11.—In an opinion requested by Insurance Director Smrha, John S. Logan, attorney for the department, holds that where an insurance company has placed a policy in the mails this is only presumptive that it has been delivered, and that if a premium note has been sold before the policy is actually received by the insured, the holder takes it with notice of possible defenses.

In 1913, when the insurance code was written, it contained a provision making it unlawful for any company or agent to hypothecate, sell or dispose of a promissory note received in payment for any part of a premium on a policy applied for prior to delivery of the policy to the applicant. Since then a number of courts have decided that when a company mails a policy, that constitutes delivery and the company is bound from that date.

Mr. Logan says the statute evidently was intended to protect the buyer by giving him opportunity to inspect the policy, to see if it was what he bought or desired, and that to carry out this intent it is necessary to hold that mailing a policy is merely presumptive of delivery so far as the buyer is concerned.

flicting evidence; the weight to be given this was for them to determine.

"The judgment of the circuit court of appeals must be reversed. "We find no material error in the action of the district court, and its judgment is affirmed."

KANSAS TEXTBOOK RUMOR

Frank L. Britton of Topeka, special agent of the Corroon & Reynolds companies, states that W. A. Huxman, Democratic governor-elect in Kansas, has no intention of sponsoring any additional tax levy on insurance companies to purchase school text books. At the meeting of the Kansas Association of Insurance Agents, the statement was made that Mr. Huxman was in favor of this plan. It is Mr. Huxman's idea to take \$300,000 from the insurance department for the purpose. He is not in favor of levying any additional tax.

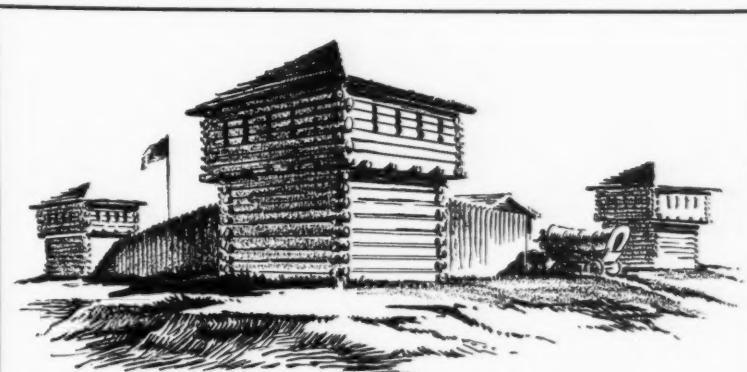
mon, who is in charge of the refund work, expects the number of checks going out to reach 4,000 to 5,000 per day. There are approximately 3,000,000 checks to be computed and written, which will require about two years. Checks will average less than \$1 each.

NEW JERSEY FARM COMMITTEE

NEWARK, Nov. 11.—The executive committee of the New Jersey Association of Underwriters has formed a special farm committee. R. H. Aaronson is chairman. Past President W. C. Hurtzig of Horristown has been re-appointed for a three-year term as a trustee of the administration fund. The other trustees are C. S. Stults and Col. Frederick Hickman. The committee will hold a meeting in Trenton, Nov. 18, which all county vice-presidents will be requested to attend.

STOCKWELL IS REELECTED

H. F. Stockwell, Jr., was reelected president of the Burlington County (N. J.) Association of Insurance Agents at the annual meeting in Moorestown. W. H. Absalom is vice president; A. H. Cutler, secretary-treasurer. Executive committee, R. B. Aaronson, chairman, H. J. Ziegler, John Peckins and S. R. Taylor.



PROTECTION

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PRESIDENT

EDITORIAL COMMENT

Insurance Charter Saves Taxes

Announcement by the VICK FINANCIAL CORPORATION of its reincorporation as the REINSURANCE CORPORATION OF AMERICA is something to cause speculation among insurance people. The VICK FINANCIAL appears to be in the nature of an incorporated investment trust. The 1936 federal income tax law bears down heavily on holding companies and investment corporations because of the undistributed profits tax and partially duplicated taxation on dividends received on stock held in other corporations. Insurance companies, with their need of holding liquid assets and of building surplus, are exempted from some of the levies made on other corporations in the new tax law. It is interesting to note that several months ago, after Congress passed the 1936 tax bill, THE NATIONAL UNDERWRITER predicted that insurance charters might prove attractive to corporations whose main business was investment.

It will be interesting to see whether other corporations with large holdings of stocks will seek to convert themselves into insurance companies. The advantage of an insurance charter to investment corporations is so strong that the temptation to dabble in insurance in order to hold the charter may be persistent. If this is the

trend that develops, it will be interesting to see whether the governmental authorities will not take some steps to combat it. Every new tax law has changes intended to plug loopholes by which taxes are avoided.

Aside from tax problems, the question of whether a holding company can be set up under the insurance laws and operate almost exclusively as a holding company is one that will depend on the corporation laws of the various states. In Illinois the FIRE INSURANCE COMPANY OF CHICAGO, after it lost its license, was not allowed to continue as a holding company. In many states a corporation can be liquidated if it abandons the purpose for which it was incorporated. Thus if investment corporations do obtain insurance charters they will practically have to engage in the insurance business to some extent.

It was predicted during the depression years when insurance held up so well, that when the skies cleared promoters would undertake to sell insurance stock and launch new companies, using the argument that insurance companies are depression proof. Such a development has not taken place to any appreciable extent. The promoters have found that the public is not yet ready to buy stock in new insurance companies.

Agents Have Insured America

CLARIS ADAMS, brilliant president of the OHIO STATE LIFE, in a talk before the OHIO ASSOCIATION OF INSURANCE AGENTS, made the significant statement that agents have insured America. He called attention to the fact that probably 85 percent or more of people who insure do not know the name or names of the institutions in which their policies are carried. This is particularly true with fire and casualty insurance. The percentage would not hold so far as life insurance is concerned because more people are acquainted with the companies in which they carry their

life insurance and there is greater individual selection.

However that may be, Mr. Adams was well within the bounds of fact in stating that the active agents out in the field are responsible for the insurance that people carry in this country. Without them the amount of coverage would be very materially decreased. All in the business should freely recognize the magnificent work that is being done by the men on the firing line who are carrying the insurance gospel here and there and reminding people of the duty of safeguarding their interests.

Casualty Conservation and Prevention

THE NATIONAL BUREAU OF CASUALTY & SURETY UNDERWRITERS in announcing an increase in owners, landlords and tenants liability rates calls attention to the increasing claim mindedness of the public, the increasing liberality of courts and juries, activities of ambulance chasing lawyers and others engaged in various kinds of fraudulent practices and to the physical condition of properties which have been allowed to deteriorate.

The casualty companies have been confronted with two major classes getting into the unprofitable column, the

largest being workmen's compensation and the next automobile liability. The situation in workmen's compensation has improved materially. Companies could no longer stand the heavy loss strain and therefore took it up in a business like way. The evolution in the writing of workmen's compensation insurance is still going on. We have before us consideration of revising the scheme of rating. Companies, however, find that their workmen's compensation experience is no longer so distressing. Undoubtedly there should be a revising

of the rating processes. This is receiving the attention of the best minds in the business.

It was a real calamity when automobile liability insurance ran to the red color rather than black. At one time it was the choicest class of risks that casualty companies wrote. However, severe competition, claim mindedness, the gearing of lower priced cars to very high speed, dare devil driving, more hard roads, etc., all contributed to the downfall of this special class. Now, however, there is a real effort being made to cut down accidents and with the public being more informed as to the part the people play in rate making there should be an improvement in that

class of business before very long.

The owners, landlords and tenants liability class has suffered of late, first because property has not been kept up as it should have been during the depression. There have not been the improvements or the care that come in normal times. The other factors which the NATIONAL BUREAU enumerates have had a real influence. In considering conditions as they arise in these various classes it behoves the insurance people to study prevention because the mere increasing of rates from time to time will not be the solution. They may get to an almost prohibitive point. There is a great opportunity in all the casualty lines for conservation and prevention.

PERSONAL SIDE OF BUSINESS

W. R. Roberts, Pennsylvania state senator who is vice-president of the Pennsylvania Association of Insurance Agents, will become auditor general of the state in January. Mr. Roberts, who is partner in the Woodring-Roberts corporation of Bethlehem, was elected by a large majority on the Democratic ticket.

R. Bryson Jones of R. B. Jones & Sons, Kansas City, has recovered from the major operation he underwent some weeks ago at the Mayo clinic and now is back at his office.

Charles P. Whitbread, 64, veteran St. Louis insurance man, died at a private nursing home in Manchester, Mo. He was in insurance about 35 years. He went to St. Louis about 40 years ago and entered an insurance agency as a clerk, later becoming office manager. He organized the Charles P. Whitbread Company, a general agency, about 1914 and continued as head of that organization until 1929. After the agency was dissolved he placed his personal business for a time through another large agency there. A son, Elliott M. Whitbread, is with the Lawton-Byrne-Bruner Agency.

Insurance Director **Ernest Palmer** of Illinois is taking a few days off, stopping at the Post Tavern at Battle Creek, Mich., for a rest. He is accompanying Gov. Henry Horner of Illinois, who is recuperating from an arduous political campaign. They are close personal friends.

W. F. Barton, general adjuster of the North British & Mercantile group, one of the ablest men in his line, was severely injured in an automobile accident in New York City Monday while en route to his office. He is now in the Broad Street Hospital.

John W. Cook, vice-president of the F. D. Hirschberg & Co., St. Louis, has returned from a three months visit to Scotland, England and Ireland. While in Ireland he had a very pleasant visit with a distant relative, Lord Antrim, at his castle at Antrim on Lake Neagh in Northern Ireland. Mr. Cook's mother was an Antrim. While in Ireland Mr. Cook also found the place where King O'Toole had his castle and reigned su-

preme. John J. O'Toole, secretary of F. D. Hirschberg & Co., claims that old scepter swinger as his ancestor. Mr. Cook's investigations abroad failed to weaken that claim.

W. E. Mallalieu, general manager National Board, has been elected vice-president of the board of trustees of Wilbraham Academy, a boys' preparatory school at Wilbraham, Mass., from which Mr. Mallalieu and his son, W. E., Jr., in turn were graduated, and in the activities of which both have long taken a keen interest. Mr. Mallalieu is now in San Francisco visiting the Pacific Coast branch of the National Board.

Fred W. Bowers of Babson Park, Fla., who retired a few years ago as vice-president of the Connecticut Fire, has been on a visit to San Francisco with his wife. They went to Vancouver and from there they are sailing making a trip around the world.

Frank R. Bell of Charleston, W. Va., former president of the National Association of Insurance Agents, and Mrs. Bell announce the marriage of their daughter, Sally Lee, to James M. Mathews last Saturday.

The state of Oregon is launching a radio program, "Oregon on Parade," on Station KOIN. The program was arranged by **Commissioner Earle** to sell Oregon and Oregon's available land. Mr. Earle will be the first speaker in the series.

Lloyd S. Wallace, Milwaukee, Wisconsin state agent of the Niagara, is confined to his home with a fractured left leg and a broken right arm sustained in trying to avoid being run over by a motor truck as it rounded a corner in Milwaukee. His injuries will keep him confined to his home for some time.

J. E. Reault, who resigned as second deputy commissioner in Michigan to go with the Maccabees, Detroit fraternal, was guest of honor at a dinner given by departmental and company friends in Lansing. Commissioner Ketcham presided and about 50 present and former department executives and employees, company officials and invited guests attended. Mr. Reault was presented a handsome traveling bag and a

THE NATIONAL UNDERWRITER

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Wabash 2704.



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LEVERING CARTWRIGHT, Ass't Man. Editor

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Associate Editors: F. A. Post, C. D. SPENCER, D. R. SCHILLING

H. J. BURRIDGE, Vice-Pres.
Associate Managers:

PUBLISHED
EVERY THURSDAY

JOHN F. WOHLGEMUTH, Secretary
W. A. SCANLON, G. C. ROEDING, O. E. SCHWARTZ

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CANADIAN BRANCH — Toronto, Ont., 24 King St. East. Tel. Waverly 2354-5. Ralph E. Richman, Vice-Pres.; W. H. Cannon, Manager.

Subscription Price \$4.00 a year in United States and Canada. Edition, \$5.50 a year. Entered as Second-class Matter April 25, 1931, at Post Office at Chicago, Ill., Under Act March 3, 1879.

desk smoking set. Speakers, in addition to the commissioner and the honor guest, included Deputy Commissioner H. B. Corell; R. M. Wade, whom Mr. Reault succeeded as deputy commissioner and who is now controller of the Michigan Mutual Liability, and C. L. Biggs, supreme record-keeper of the Maccabees. Others attending included; L. K. Power, formerly with the department examining force but now with the National Casualty in Detroit; Jay C. Ketchum, also a former department examiner, now with the Great Lakes Casualty, Detroit; Floyd Lundquist, Western Adjustment, Detroit, and John Little, accuracy of the Maccabees, all accompanied by their wives. Mrs. Lundquist is a former department employee.

Funeral services for the late **George T. Lyster**, 71, were held at Thorntown, Ind. He was state adjuster of the Continental for many years.

He conducted a local agency in Thorntown which had been established in 1889 and had maintained an active interest in business matters in spite of advancing years.

Frank Blanton of Farmville, secretary Virginia Association of Insurance Agents, died in a Richmond hospital from pneumonia after a week's illness. Mr. Blanton had been secretary of the Virginia association for many years and was held in high regard by the Virginia insurance fraternity.

When **D. F. Gordon** retires as executive vice-president of the New York Board at the close of the year, he plans spending the winter months on the Florida east coast.

Miss Jane Hiscox of Milwaukee, daughter of **Ray E. Hiscox** of the Soebig & Hiscox agency, will be married at her home in that city next Saturday evening to Robert Taylor of Fort Wayne, Ind., who is in the automobile business.

E. F. Sullivan, most loyal gander of the Montana Blue Goose, is still in a Butte, Mont., hospital suffering from a severe leg injury. He may be confined in the hospital for the next six months.

John M. Holmes, secretary of the Hartford Fire, has just celebrated his 50th anniversary with the company. He was presented a gold medal, symbolic of his long service, by President R. M. Bissell.

David Hinckley, secretary of the committee on rating and rating practices of the Eastern Underwriters Association, who underwent an operation in September, is now recuperating satisfactorily at his home in New Jersey.

Frank E. Halle of Chicago, treasurer of the Germania Club of that city, will wed Miss Ethel C. Frey of Chicago. He is 61 years of age and was former Wisconsin state agent of the old Germania Fire, now the National Liberty. Prior

to going into the field he served in the western department office. He is a son of the late Col. E. G. Halle, western manager of the Germania Fire, and one of the founders of the Germania Club. Colonel Halle at one time was president of the Chicago board of education.

Competing in a golf tournament last week at the Hermitage Country Club in Richmond, Va., **J. Davis Ewell, Jr.**, eliminated his father in one of the preliminary rounds after the play had been carried to the 19th hole. The father, a former champion of the Hermitage Club, is an officer of the Gibson, Moore & Sutton agency in Richmond and is ac-

tive in affairs of the Virginia Association of Insurance Agents. His son is a student at the University of Richmond.

In a recent list of old-timers in the **Life Members Society** of the Northwest Association three local people in Chicago were omitted. Holger de Roode, who was secretary of the Life Members Society for 25 years, and is now secretary emeritus, entered the parent association in 1880. L. S. McMillan, Chicago adjuster, was made a member in 1883. M. P. Vore, who entered in 1892, is retired and lives at Glencoe, Ill.

work is also given credit for a substantial part of the better record. The number of agencies in the province delinquent 90 days or more, decreased from 1031 in June of 1934 to 845 in June of 1936. The amount outstanding decreased from \$402,000 in June of 1934 to \$171,000 in June of 1936.

Philadelphia Branch Holds Open House in New Offices

PHILADELPHIA, Nov. 11.—Harold Warner, United States manager Royal-Liverpool group; C. A. Nottingham, assistant United States manager; Kenneth Spencer and W. H. Galentine, vice-presidents Globe Indemnity; Commissioner Hunt of Pennsylvania and former Governor Fisher were among notables attending the opening of new quarters of the Philadelphia branch office of the Royal-Liverpool groups. The offices, occupying the entire first floor and part of the second of the Lafayette Building, 439 Chestnut street, were a mass of floral tributes from insurance men. W. T. Mills, local manager Royal; H. W. Stephenson, local manager Liverpool & London & Globe, and J. M. Richardson, resident vice-president Globe Indemnity, were greeted by agents and brokers.

The **Globe** is the only casualty company in the office, but with the **Globe** it also has the claim department of the **Globe**, **Eagle Indemnity** and **Royal Indemnity**, and the payroll audit and inspection departments of all three companies.

'Banknite' Company Turned Down

LINCOLN, NEB., Nov. 11.—Insurance Director Smrha turned thumbs down on a proposal submitted to him by Phillip W. Downs of Omaha which involved the operation of what was termed the **Banknite Insurance Company**. The plan is being submitted by Mr. Downs to the Iowa, Illinois, Missouri and Wisconsin departments. He said he had been asked to secure an opinion, but did not indicate that it was his own proposal. Policies guaranteeing to holders the payment up to \$300 of moneys won at moving picture bank nite drawings were to be placed on sale at stores near the theaters. A premium of \$10 cents was to be paid.

Mr. Smrha said the payment of such awards was not a proper subject for insurance.

In commemoration of his birthday anniversary, **Robert L. Bowen**, superintendent of insurance, was tendered a surprise luncheon Monday in the offices of the Ohio department in Columbus. He received a number of appropriate gifts, together with flowers, and cards and telegrams of congratulation. Walter A. Robinson, actuary, presided at the affair, which was attended by the employes of the division. Mr. Bowen made a short talk, expressing his appreciation.

CANADIAN PROBLEMS ARE REVIEWED

(CONTINUED FROM PAGE 5)

B. Laidlaw, former company manager, well known in both the States and Canada, observed that in all other fields of business in recent years, when there was a purchase of some unit in the same business, the newly purchased unit was made a part of the whole and was not permitted to continue a separate existence.

Basic Difficulty Pointed Out

However, in the fire insurance business, the exact opposite had been true and purchases of companies have been made with the express design of keeping alive another unit. That, said Mr. Laidlaw, is the basic difficulty in the operation of the insurance business. It is seeking to operate contrary to present economic requirements and by so doing storing up trouble for itself.

Possibly even more than in the States, it is the practice of many established Canadian agencies to take on the supplies of a company merely for the purpose of preventing the entrance into the business of another part time competitor.

LICENSING OF AGENTS

The address of Albert Dodge of Buffalo at the Ontario Fire & Casualty Insurance Agents Association provoked an animated discussion among the delegates on the subject of the licensing of agents and an agency qualification law. The Ontario department of insurance has an advisory board which functions in passing on applicants for agency licenses. There is no written or oral examination to determine the extent of knowledge and understanding of the insurance business. Harold Johnson, deputy in the department, criticised written examinations as being sound in theory but proving undesirable in practice. He cited Pennsylvania experience where he said those who did not pass the written examination the first time might apply again and again for another examination and called attention to the sale of published booklets giving questions and answers certain to be useful in passing examination.

Interpreting the new license law for Ontario, Mr. Johnson said that each partner in a firm is treated as an individual under the licensing law and if he is transacting any insurance business, must take out a license and pay the license fee. Because of the increase in the license fee, some sales of agencies will take place. When these sales take place, Mr. Johnson said that the seller must give up any connection with getting business and that any sales of agencies on the basis of a percentage of renewals retained would be in violation of the statute.

A salaried employee of the insurance company or of an agency or broker may act as a procurer of business without a license, but the procurer must be a bona fide salaried employee and receive no bonus or other extras because of his insurance production. The department interprets the word "employee" to be a full time man. Lists of employees procuring business will be checked by the department.

Range of License Fees

As the license fee is larger in Toronto than in the smaller suburban cities and towns, the insurance department has ruled that an agent operating in the suburbs and confining his activities entirely to the suburbs may be licensed at the license fee prevalent for his place of residence, but that if he extends his operations into the larger city itself, then it will be necessary for him to pay the fee required for license in the larger city.

Mr. Johnson also disclosed that the department was considering the whole problem of licensing lawyers to write insurance. Complaint has arisen among the agents that while all the members of an insurance firm that solicit insurance must be licensed, it is common to find that only one lawyer in a firm has a license but that all of the lawyers are soliciting the business.

Improvement in Agency Balances

A marked improvement in payment of agency balances to the companies has taken place since the Ontario department began following up on delinquents. While it is granted that improved business conditions have influenced the better collection record, the department

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Wisconsin Agents Plan Year

Officers Select Executive Committee—Regional Meetings to Be Held—First at Fond du Lac

MILWAUKEE, WIS., Nov. 11.—Officers of the Wisconsin Association of Insurance Agents met here to name the executive committee for 1936-7 and to discuss and formulate plans of association activities for the coming year. Those in attendance included Hugh Bird, Beaver Dam, president; J. R. Schuster, Beloit, and W. C. Thornton, Fond du Lac, vice-presidents; J. G. Grundle, Milwaukee, secretary-treasurer, and Charles Hejda, Manitowoc, chairman of the executive committee.

Members of the old executive committee were reappointed, including W. B. Calhoun and Monroe Porth, Milwaukee; William Tucker, Beloit, and W. V. Jackson, Eau Claire. The new membership committee appointed consists of Alvin Fox, Oshkosh; Charles Manson, Wausau, and Arthur Gail, Kenosha. L. C. Hilgemann, Milwaukee, was reappointed chairman of the legislative committee and authorized to select other members of this committee.

To Hold Regional Meetings

Regional one-day conferences will be held to permit local agents who are unable to attend state conventions to get together in centralized cities for programs that will include prominent speakers, open discussions of problems and conclude with a banquet. Officers of the state association and committee men will attend. The first meeting is planned for Fond du Lac sometime in November, the exact date to be announced later. At least two other meetings will be held in the early spring and early summer in western and northern sections of Wisconsin.

Michigan's New Legislature Is Favorable to Governor

LANSING, MICH., Nov. 11.—The new governor, Frank Murphy, will be in a better position to enforce his legislative demands than any previous executive in several terms. The house will have 60 Democrats to 40 Republicans while the senate division in favor of the Democrats will be 17 to 15. A number of agents who served in previous legislatures have been returned for service at the 1937 session, together with several members of 1935 insurance committees. Senator John Wickstrom, agent at Norway, was reelected, as were three agent-members of the house; M. H. Lee, Royal Oak; James Helme, Adrian, and J. G. Mullen, Menominee. An agent newcomer is David Martin of Martin Brothers agency at Flint. Miles Callaghan of Reed City, who was chairman of the house insurance committee in 1935, was elected to the senate. The senate committee chairman, Jay C. Town of Jackson county, was reelected as were Senators Harry Hittle, Lansing; Denias Daw, Monroe, and James A. Murphy, Detroit, other committee members. House insurance committee members reelected were: J. F. Nagel, Detroit; C. P. Adams, Howell, and Audley Rawson, Cass City. Mrs. Elizabeth Belen of Lansing, the second woman ever elected to the house, has announced as her primary legislative aim a liberalization of the compensation act.

Illinois Program Completed

Final Details Announced for Annual Meeting of Agents' Association at Peoria, Nov. 18

Final plans have been completed for the annual convention of the Illinois Association of Insurance Agents at the Pere Marquette Hotel in Peoria Nov. 18.

The morning session will be open to agents only. Appointment of nominating and resolutions committees and reports of the secretary-treasurer and the various standing committees will be followed by an open forum for discussion of current insurance subjects of interest to agents.

Prominent Speakers Listed

The afternoon session will be featured by two addresses, "Mutual and Reciprocal Competition," by W. L. Falk of New York, superintendent brokerage department Royal-Liverpool groups, and "Streamlining Our Agencies," by C. F. Liscomb of Duluth, chairman executive committee National Association of Insurance Agents. A fire demonstration will be staged with L. H. Gift of Peoria, president Peoria Association of Insurance Agents, in charge.

Election of officers will conclude the afternoon session. The entire afternoon period will be an open one.

At the banquet, to start at 6:30 p. m., President F. J. Budeler of the Illinois association, will preside. C. M. Cartwright, THE NATIONAL UNDERWRITER, will be toastmaster and addresses will be given by Paul L. Haid of New York, president Insurance Executives Association, and Ernest Palmer, Illinois director of insurance and president National Association of Insurance Commissioners. Mr. Budeler will make the closing remarks.

Directors will meet the evening of

Dayton Manager



F. G. WOLF

F. G. Wolf, who has been appointed Dayton, O., manager of the Underwriters Adjusting, in charge of a new office at 419 Mutual Home building there, has been with the Underwriters Adjusting 15 years, the last 12 as Louisville manager. His office will service Darke, Miami, Preble, Montgomery and Greene counties.

Nov. 17 also at the Pere Marquette. Members may make reservations for the convention by writing Mr. Gift, 208 South Jefferson street, Peoria.

Bjodstrup Leaves Western Adjustment, Becomes Agent

SIOUX CITY, IA., Nov. 11.—Purchase of what is reported as a controlling interest in the McManus-Sibert-Murdock Company, one of the oldest and largest local agencies here has been effected by H. E. Bjodstrup, who for the past 14 years has been manager here for the Western Adjustment. He will remain with the latter organization until Dec. 1. He will be succeeded by W. E. Lindroth of the Minneapolis office of the Western Adjustment. Announcement of the change was made at the meeting of the Sioux City Fire & Casualty Underwriters, which was attended by Mr. Bjodstrup and Mr. Lindroth as well as by J. K. Nelson, assistant general manager of the Western Adjustment, M. P. Hastings of the Minneapolis office and Jesse Riddle of the Des Moines office. Manager Nelson said his organization regretted Mr. Bjodstrup's decision to leave the company. Other changes are the retirement of Henry Wilson, for many years an adjuster for the Western here and the transfer from this office to Des Moines of T. Ray Turner, who has been here eight years. Two or three adjusters from other offices will be sent here.

Kansas Fire College Hears Report on Salvage Methods

Headed by Chief William Gardner, a delegation from the Kansas City, Mo., fire patrol attended sessions of the Kansas Fire College held at the University of Kansas. A large attendance was reported not only from Missouri and Kansas but from adjoining states, including Colorado, Iowa, and Nebraska and representatives from the Ohio Inspection Bureau and St. Louis.

Delegates included many chiefs and assistant chiefs of fire departments in the territory adjacent to Kansas City.

Patrol Chief in Talk

The Kansas City fire patrol chief declared in his report on "Salvage and Salvage Evolution," that there is no better or quicker way for a fire chief to be of service to his community than to install salvage work in the fire department. He said a number of large cities had municipally owned fire patrols and salvage corps and that some of the smaller cities not needing a company entirely for that purpose have installed salvage equipment and are doing good work. Each ladder truck should carry four or more salvage covers, he added.

He outlined salvage operations conducted by the National Board for many years in large centers of population and industry, but admitted the work remains comparatively new to most municipal fire departments. Fire department chiefs have realized a tremendous amount of destruction in fires can be avoided by common sense methods of handling streams, ventilation and properly spreading covers over stocks of merchandise, household goods and other fixtures.

In his report Chief Gardner outlined the use of covers and their care, water control and knowledge of sprinkler systems. His report included drawings of the proper use of cover and other salvage equipment. Officials of the Kansas City fire patrol, which authorized attendance by the chief and his

delegation, said they felt the report had great educational value for fire chiefs and their men, not only to salvage work but to fire prevention and fire fighting in general.

It was emphasized by patrol directors that of the annual fire loss about 25 percent is consumed by flames and the remaining 75 percent is caused by other causes during and after the fire.

Carriers Can Sue City for Riot Claims, Court Rules

MILWAUKEE, Nov. 11.—Judge Gehrz in Milwaukee county circuit court upheld the right of six insurance companies to sue the city of Milwaukee for damages they paid the Milwaukee Electric Railway & Light Co. as the result of rioting in connection with the street car strike in 1934. The companies paid the utility about \$3,500 on riot policies, and claims covering the payments were filed against the city but were disallowed by the common council. The companies contended the city was liable under a Wisconsin statute making municipalities liable for injury to persons or damage to property by a mob during rioting, but the city claimed the damage claims were not assignable. The companies are Northern Assurance, Hanover, Alliance, St. Paul F. & M., Home and Commercial Union.

South Dakota Meeting

The date for the annual meeting of the South Dakota Fire & Casualty Agents has been changed to Dec. 1. It was found there were conflicting dates of other meetings. A. N. Hoffman of Aberdeen is president and the meeting will be held in that city.

Best Is Assistant to Miller

Earl S. Miller, manager Illinois Audit Bureau, has appointed Douglas F. Best as assistant manager. Mr. Best had his early training in the western department of the Springfield Fire & Marine, where he served six years as underwriter in the improved risk department. Later he was with the Chicago Fire & Marine, serving nine years in the home office as underwriter and office manager and two years as state agent. The past three years he has been with Fred S. James & Co. of Chicago as underwriter in the outside department.

Take on Dodge City Insurance

All insurance on the public schools of Dodge City, Kan., has been taken over by the Dodge City Insurance Board, of which Clyde Smith is president and Laurin W. Jones, secretary, and written under general form with the 90 percent coinsurance clause, following some five years' effort by the board. Some considerable amount formerly written by mutuals has been cancelled and all is now stock company coverage, Secretary Jones reports.

Discuss Supplemental Contract

WICHITA, Nov. 11.—The Wichita Insurers held an interesting discussion on the supplemental contract and complications in adjustments from non-concurrents, with George M. Montgomery, Wichita manager of the Western Adjustment, as leader. Vice-president Byron S. Chapel presided.

Expect Missouri Code Action

JEFFERSON CITY, MO., Nov. 11.—The makeup of the next Missouri legislature will be largely the same as at the last session. The Democrats will control both houses by very large majorities, which will enable the new state administration to put through its legislative program without any fear of

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(Continued next page)

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United States Fid. & Guar. Co., Maryland
Casualty Co., and others.
Trial of all insurance cases in State and Federal Courts in western Washington.

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trial of all Insurance Cases in State and Federal
Courts.

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Insurance Building
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E. L. Skeel
Tom W. Holman
Frank Hunter
Tyre H. Hollander
Laurene Booth, Jr.

SEATTLE

DANSON, LOWE & DANSON
Paulsen Bldg.
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Maryland Casualty Co., U. S. F. & G. Co.,
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Investigations and trial of all insurance cases in
state and federal court.

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Equipped for investigations, adjustments, trial of all
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eastern Washington.

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ican Motorist and others on request.
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MEEK & SCHERR**

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G., U. S. Guaranty (Chubb & Son), Inter-Ocean
Casualty Company (General Counsel), and others on
request.
Investigations, adjustments and trials—State and
Federal Courts.

**RUSSELL, HITESHEW &
ADAMS**

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Employers' Group—The Fidelity & Casualty Com-
pany of New York—Glens Falls Indemnity and
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NESBITT & NESBITT

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KELLEY & BOERNER

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successful attack. It is believed here that some revision of the insurance code can be expected, although probably the lawmakers may not go as far in that direction as Superintendent O'Malley would like. Indications are that there will be separate provisions for stock, reciprocal and mutual fire and liability carriers and for legal reserve companies and fraternals in the life field. This would avoid the opposition from concentrating for the defeat of the entire code as happened in 1935.

St. Paul Women Hear Clark

ST. PAUL, Nov. 11.—Ralph B. Clark of the St. Paul-Mercury Indemnity addressed the dinner meeting of the St. Paul Association of Insurance Women on "Bonds."

Hear Firemen's Tax Case Nov. 16

LINCOLN, NEB., Nov. 11.—The Nebraska supreme court will hear arguments Nov. 16 on the appeal of the insurance department from the district court finding that the firemen's relief tax law of 1935 is unconstitutional and unworkable. This law levies a 2 percent gross premium tax on collections in all municipalities of the state, and was originally attacked by the Continental.

Lansing Board 20 Years Old

LANSING, MICH., Nov. 11.—The 20th anniversary of the founding of the Lansing Association of Insurance Agents is being observed this month. C. L. Fratcher is now president. While entering business here after the local board was founded, one of its moving spirits has been Clyde B. Smith, former president National association and many times head of the Lansing organization. Other present officers are: Vice-president, A. A. Smith (no relative of Clyde); secretary-treasurer, Roscoe Mosher; directors, Ralph Goodell, R. I. Waller and J. P. Leatherman.

Milwaukee Prevention School

MILWAUKEE, Nov. 11.—The Milwaukee Association of Commerce is holding its annual fire prevention school on three successive Tuesday evenings starting last night, when F. P. Higgins, assistant Michigan fire marshal, spoke on "Behind Fire Scenes." On Nov. 17, R. E. Maginnis, American District Telegraph Company, Chicago, will discuss, "Tracing the Causes of Plant Fires." At the last session R. B. Criswell, Ohio Inspection Bureau, will talk on fire hazards. C. R. James, special agent Aetna Fire, is chairman of the association's fire prevention committee.

Honored for 35 Years' Service

E. R. Hubbell, Michigan state agent of the Royal, presented a chime electric clock to the Lansing Insurance Agency and Dyer-Jenison-Barry Company of Lansing, Mich., at a luncheon there celebrating 35 years of representation of the company in that organization.

Hazard Locates in Chicago

Z. A. Hazard of Sioux Falls, S. D., who was formerly manager of the hail department of the National Union Fire, has gone to Chicago and has become an independent adjuster. He is well known in the hail field in the northwest.

Gasoline Transport Wrecked

The third gasoline transport accident to occur in Ottawa, Kan., within four months, one of which burned several dwellings and killed the driver and passenger of the truck, occurred when a

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railroad motor train struck a transport at the city limits, overturning the truck and spilling 2,600 gallons of gasoline along the right-of-way. As the gasoline did not ignite, the truck driver escaped serious injury. The Kansas League of Municipalities is backing a proposed state law which will be presented to the legislature in January, to limit the capacities of transports passing through municipalities to 750 gallons.

Insurance Solons in Nebraska

LINCOLN, NEB., Nov. 11.—Four insurance men are listed as members of the new unicameral legislature of 43 members which will meet in January. In the last session there were nine insurance men out of 133 members. The insurance members of the 1937 legislature engaged in insurance are Amos Thomas, Omaha; W. F. Haycock, Calway; Alois Slepicka, Wilber, and H. L. Pizer, North Platte.

New Ohio Examination Schedule

COLUMBUS, Nov. 11.—The Ohio department has rearranged its schedule for examinations for licenses. The new schedule is as follows: Columbus, any day except Saturday; Akron, First Central building, 2nd and 4th Friday of each month; Athens, Ohio University, 2nd Thursday; Cincinnati, University of Cincinnati, 2nd and 4th Friday; Cleveland, Fenn College, each Monday; Dayton, Y. M. C. A., 1st and 3rd Wednesday; Lima, Y. M. C. A., 1st and third Thursday; Steubenville, Y. M. C. A., 2nd and 4th Wednesday; Toledo, Y. M. C. A., 2nd and 4th Tuesday; Youngstown, Y. M. C. A., 1st and third Tuesday.

Grand Rapids Losses High

GRAND RAPIDS, MICH., Nov. 11.—Excessive fire losses so far this year as compared with the city's excellent record over a considerable period have sent the per capita loss above the \$1 for the first time in five years. With two months to go, 1936 losses already are \$177,000 or \$1.05 per capita. The average annual loss per capita for the prior five years was 68.5 cents, ranging from a low of 42 cents in 1934 to a high of 88 cents in 1933.

C. W. Ackley Retires

MILWAUKEE, Nov. 11.—C. W. Ackley, for 30 years in insurance work in the middle west, has resigned from the Geo. H. Russell Co. agency, effective Dec. 31. He was formerly with Baerwald, Hoffman & Co. here and also with the Fire Insurance Rating Bureau as a rater in Milwaukee and in northern Wisconsin. He plans to locate in the Ozarks to pursue his hobby as an agriculturist.

Best to Address Cleveland Board

CLEVELAND, Nov. 11.—A. M. Best, president Alfred M. Best Co., will address the Insurance Board of Cleveland Nov. 18 on "How to Analyze Insurance Companies."

All the other insurance organizations of Cleveland have been invited to attend, including the Accident & Health Insurance Association, Surety Club, Casualty Underwriters Association and Cleveland Life Underwriters Association and field men.

Ohio Agents' Surety Committee

President H. S. Martin of the Ohio Association of Insurance Agents has appointed a standing committee on surety matters, composed of L. Calvin Jones, Youngstown, chairman; Robert Pheil, Cleveland, and Harold Jones, Middletown.

Loss at Battle Creek

BATTLE CREEK, MICH., Nov. 11.—Heavy loss was sustained when fire, believed to have started from a defective heating plant, swept the interior of the Gamble auto accessory and hardware store. The adjacent Sears, Roe-

buck & Co. and Hubbard Electric Company establishments suffered heavy smoke and water losses. Fire Chief Weeks estimated the loss at \$85,000. Some other estimates ranged up to \$150,000.

Minnesota Agents in Congress

Two Minnesota local agents have been elected to Congress. Melvin Maas, a local agent in St. Paul for several years, has been reelected, and Dewey W. Johnson, former deputy insurance commissioner, and before that in agency business in Minneapolis, will represent one of the Minneapolis districts.

Probable Kansas Legislation

Important legislation is to be presented to the Kansas legislature when it convenes in January, as Commissioner Hobbs desires supervision of all casualty companies and favors higher reserves for mutual companies. A further effort to secure an effective agents qualification law is to be made, the legislative committee of the Kansas Association of Insurance Agents headed by Fred Reed of Wichita, having it in hand at this time. It is understood that Commissioner Hobbs will support a reasonable qualification law.

Proud Papas in Kansas

Hughes Cunningham of the Wichita adjusting firm of Sheffer-Cunningham and Mrs. Cunningham announce the arrival of a second daughter.

George Corbett of the Hutchinson, Kan., office of the Western Adjustment is passing the cigars due to the arrival of a son, as is M. H. Butler, North America special agent at Wichita, the Butlers having adopted an eight months baby girl whom they have named Jane Alice.

Ohio Insurance Legislators

COLUMBUS, Nov. 11.—Insurance men will again be well represented in the coming session of the Ohio legislature. Paul Yoder of Dayton and Eaton, who has served several terms in the Ohio senate, was elected lieutenant governor. New insurance men in the Ohio senate are J. J. Kuntzler, a solicitor for the Earls-Blain agency in Cincinnati, and F. L. Adams of Bowling Green. J. P. Bower of Rushville, who has served several terms, was returned to the senate as was V. E. Metcalf of Marietta. He is a Republican and was the author of the agents' qualification law passed by the Ohio legislature last year. W. H. Hermer of Norwalk, who has served several terms in the senate, was defeated for reelection.

The list of insurance men chosen to the Ohio house has not been compiled, but it is known that W. H. Knepper of Williams county was reelected. The legislature will meet in special session late this month to take up tax matters.

Kette on Southern Trip

A. W. Kette of Marion, O., is on a two-weeks motor trip to Florida and other southern states. He has just retired as a trustee of the Ohio Association of Insurance Agents.

Tornado Loss at Cape Girardeau

A tornado Nov. 2 did approximately \$100,000 damage to the business and southwestern residential section of Cape Girardeau, Mo.

Middle West Notes

Alexander Lips, 70, for more than 40 years a broker with the Charles L. Crane Agency Company of St. Louis prior to his retirement about five years ago, died from a heart ailment.

George Asman, son of the late John Asman, who founded the Asman Agency, Port Huron, Mich., more than 20 years ago, has taken over management of that agency. The new manager was with the agency some years ago but more recently had been with the district HOTC organization and with the Detroit Edison Company.



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IN THE SOUTHERN STATES

New Tobacco Reporting Form

Issued by Kentucky Actuarial Bureau for Warehouses During Auction Season in That State

A new reporting form for tobacco warehouses for use during the tobacco auction season has been issued by the Kentucky Actuarial Bureau. The form is written for warehouses holding leaf, loose, scrap and stem tobacco for auction, and covers tobacco owned by others and held by a warehouse for auction and tobacco owned by the warehouse and held for resale.

Insurance is written on a provisional basis, subject to a designated limit of liability, the warehouseman agreeing to report all sales and resales not later than the 10th of each month. Premium is payable monthly at the rate of 2 percent of the combined fire and windstorms contents rate for the warehouse, or 2 percent of the fire rate if only fire coverage is written. Minimum premium is \$50 for each warehouse.

Deposit Premium Limits

The deposit premium is \$50 for a limit of liability of \$50,000 or less, \$75 for a limit of liability of \$50,000 to \$75,000, \$100 for a limit of liability of \$75,000 to \$100,000 and \$150 for a limit of liability of over \$100,000. A separate form is to be used for each warehouse.

The policy is excess over all specific insurance. In the event of loss, the tobacco is to be valued at the average price obtained in public sales of tobacco in the same town, or in the nearest town, if there are no other sales ware-

houses in the town in which the risk is located.

The auction season starts in late November or early December and runs from 6 to 120 days, depending on the size of the crop. For many years there has been an agitation for an automatic coverage reporting form and insurance authorities hope that this new form will fill the need.

May Revise Insurance Law

Texas Board Urges Governor to Push Revamping of Statutes Affecting Life Carriers

AUSTIN, Nov. 11.—The Texas board of insurance commissioners has recommended to Governor Allred that the state insurance laws which the board characterized as full of inconsistencies that are in most cases conflicting, be completely rewritten. The report said that in many cases legislation passed did not take into consideration all that had gone before.

Among the recommendations are the following:

That the law dealing with organization of stock life insurance companies be changed to require not less than \$250,000 capital and \$250,000 surplus before a company can receive a charter to write life insurance business in Texas. That the law permitting organization of mutual legal reserve life insurance companies should be considerably changed or entirely repealed. The board said it is impossible for an organization to succeed under the present law since many have tried it and none has been successful. The report characterizes it as "folly to permit a law of this kind to remain on the statute books, as it must result in an injustice."

That the law be amended so as to prevent any insurance organization from investing more than 5 percent of its assets in a home office building or loaning more than a reasonable percentage of its assets to any one person or corporation or investment assets in any one project.

Amendment to the law authorizing organization of statewide mutual assessment companies and local mutual aid associations, so as to prohibit these organizations from selling all or part of their membership to any person or organization without the approval of the insurance department; and also to authorize the board to refuse to admit such persons believed incompetent, dishonest or otherwise disqualified to operate such organization.

That clarification be made in the Texas retaliatory law.

Many Losses at Ardmore

Adjusters that worked on losses from the hail storm that hit Ardmore, Okla., Oct. 6, find that very few of the improved style of roofs with tar and gravel were damaged. Practically every shingle and composition roof suffered quite a loss. It is stated that all of the city property was fully covered. The number of claims ran up into large numbers. T. M. Burrow & Co. of Ardmore for example alone handled over 700 losses.

Burrow Operates Company

Tom M. Burrow has organized the T. M. Burrow Adjustment Company with offices in the First National Bank building in Oklahoma City, and a branch office in the Simpson building at Ardmore. He is one of the outstanding figures in the adjusting field in his state. He has been in loss work for 20 years. He started with the Bates Adjustment Company in Oklahoma City. He was affiliated with the Home as staff adjuster and later he became one of the owners of the Bates Adjustment Com-

pany and subsequently became affiliated with the Fire Companies Adjustment Bureau.

Watch Tax Measures

BIRMINGHAM, ALA., Nov. 11.—Governor Graves is making plans to call the legislature into special session shortly to enact new revenue measures. There is always the danger that the solons will land on the insurance business as easy pickings for increased taxation. The Alabama Association of Insurance Agents has asked for a conference with the governor in an effort to forestall any such move.

Consider Virginia Cannery Rates

RICHMOND Nov. 11.—Investigation of fire rates on canneries in Virginia is scheduled at a hearing before the corporation commission Nov. 19. The commission has sent a questionnaire to the companies, requesting reports on premiums written and losses on unsprinklered fruit and vegetable canning factories during a ten-year period. The reports must be returned by Nov. 16.

Louisiana Meetings

The Louisiana Insurance Society will have some regional meetings the latter part of this month and the first part of December. Terrell Woosley of Lake

Charles, the president, and R. L. McClelland of Baton Rouge are preparing the agenda.

Arrange Alabama Meetings

BIRMINGHAM, ALA., Nov. 11.—The Alabama central committee of the Business Development Office is arranging a series of sectional meetings, the first to be held at Decatur, Nov. 19. Other meetings will follow in Birmingham, Montgomery, Mobile, Dothan, Selma, Tuscaloosa and Anniston. Charles L. Gandy of Birmingham is chairman of the committee and Ed. H. Moore is secretary. Mr. Moore is also secretary of the Alabama Association of Insurance Agents, but he stated the meetings would be open to all agents who are interested.

Cole Agency in New Quarters

The B. C. Cole agency is located in new quarters at 218 South Oliver avenue, West Palm Beach, Fla. Mr. Cole formerly was secretary of the National Union Fire.

Prescott Visits Virginia

Thomas S. Prescott, agency superintendent in the southern department of the Hartford Fire at Atlanta and formerly Virginia state agent of that company, spent several days in Virginia visiting agencies.

PACIFIC COAST AND MOUNTAIN

Board Outlines Tacoma's Fire Hazards and Protection

Tacoma, Wash., in the five years ending in 1935 had a gross fire loss of \$1,831,014, with an average loss per fire of \$665, a high figure, according to a report made by the National Board. The report supersedes the one of 1928.

Based on an average population of 110,000, the average annual number of fires per 1,000 population was 5.0, an average number, but the average loss per capita was \$3.33, a high amount, according to the report. The average annual number of fires was 550.

In its general summary the report said water supply works are adequate with some unreliable elements, and fire supply in congested value districts is somewhat inadequate, but elsewhere generally good. The fire department is fairly well equipped but is undermanned and is not well trained, the report added.

It also said the fire alarm system is mainly adequate in the high value districts, but inadequate in residential districts and somewhat unreliable through improper maintenance. In the congested value district structural conditions and fire protection are such that the probability of a general conflagration is low. There is some possibility of exposure fires but single fires should not necessarily involve the major portion of an average block.

Legislation Was Discussed at Mutual Club's Meeting

At the monthly meeting of the Mutual Club of Los Angeles, O. W. Smith, manager of the Santa Barbara County Farmers Mutual Fire, brought to the attention of the members legislation that is proposed to tighten the rules regarding examination of mutual companies making it more difficult to organize new ones and to have outsiders entered. Mr. Smith was accompanied by his son, Dale, they being guests of Fred Pier, Los Angeles manager Lumbermen's Mutual Casualty. Mr. Pier issued a warning as to proposed legislation concerning workmen's compensation, viz., elimination of a seven day waiting period, permitting the claimant to select his own physician and changing the

present law of paying compensation on the basis of 65 percent of 95 percent of the present wage, not exceeding \$25 weekly, to paying 80 percent of the present average wage with no limits. Fred Cromer, manager of the Los Angeles Mutual Fire, was appointed chairman of the legislative committee.

J. V. Deering, head of the recently organized Guarantee Mutual of Los Angeles, was present for the first time.

Death Takes Washington Agents' Former President

James A. Miller of Bellingham, Wash., 60, one of the best known figures in the business in that state, died there from a heart ailment. He was a past

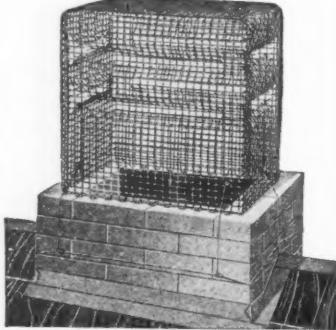


JAMES A. MILLER

president of the Insurance Agents League of Washington and head of the agency firm of Miller-Lamoreaux, Inc.

Mr. Miller was long prominent in agency association affairs and also in politics. He served as a county commissioner in Whatcom county and was a prominent member of the legislature, serving as chairman of the house insurance committee. Since the beginning of the state association in 1910 he had been a member of the executive committee. He was elevated to the presidency of the Insurance Agents League of Washington in August, 1934, but immediately

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afterward was stricken with heart trouble and was virtually inactive throughout his term. He recovered sufficiently in August, 1935, to permit him to attend the convention in his home city, but since had been confined to his bed. Recently he was transferred to a Seattle sanitarium. He returned to his home in Bellingham several weeks ago, but his health continued to fail.

Mr. Miller's partner, D. A. Lamoreaux, died several years ago of a similar ailment. Continuing the agency business will be Barry J. Miller, Mr. Miller's son, who has been associated with him.

Explains Supplemental Form

Jack Woolley, manager Washington Survey & Rating Bureau, explained the supplemental contract at the Spokane Agents Association's meeting.

Discusses Repair Bills

SPOKANE, WASH., Nov. 11.—Knox Moore, adjuster of General Exchange, spoke to the Spokane Adjusters Association on "Bugaboo of Overlaps in Figuring Estimates on Repair Bills."

Lloyds Man on Coast

SEATTLE, Nov. 11.—J. Pollitt, member of Lloyds of London, spent a week visiting Pacific Northwest cities. While here he was the guest of E. R. Bowden of Bowden, Gazzam & Arnold.

Washington Committee Meets

SEATTLE, Nov. 11.—The executive committee of the Insurance Agents League of Washington will hold its fall meeting here Friday evening. Meeting with the committee will be local board presidents from all parts of the state. Approximately 30 leading agents will attend the dinner conference. The following day the committee will attend the University of Washington-U. S. C. football game.

Women's League Nominations

SAN FRANCISCO, Nov. 11.—Gertrude Schilling of the Accident & Casualty has been nominated for president of the San Francisco Insurance Women's League; Victoria Kummer of Richards & Rhorer, for reelection as vice-president; Evelyn Young, Fidelity & Casualty, for secretary, and Louise Sturgis of Marsh & McLennan-J. B. F. Davis Co., treasurer. The annual meeting will be held Nov. 16. The league is sponsoring an "insurance fraternity dance" Dec. 12.

Losses at Bandon, Ore.

BANDON, ORE., Nov. 11.—A close survey of the damage resulting from the forest fire that swept this city Sept. 26 places the property loss in excess of \$1,000,000, with insurance involved of from \$500,000 to \$600,000. In all 530 buildings, mainly residences, were destroyed, but two buildings remaining in the main residential section. Many of the properties were uninsured, while

New Vice-President



DONALD B. GOLDSMITH, San Diego

Donald B. Goldsmith of San Diego, the new vice-president of the California Association of Insurance Agents, eight years ago was elected a member of the board of directors and served continuously until he was elevated to his present office. About 12 years ago he became interested in the state association. He has served two terms as president of the San Diego Insurance Exchange. Mr. Goldsmith is a native of Phillips, Me., where he was born April 8, 1892. He went to San Diego in 1912. He spent two years attending the Boston, Massachusetts, Conservatory of Music. On arriving at San Diego he made a connection with W. F. Ludington Company, agency. The Kettner-Stafford-Goldsmith Company is a combination of the Ludington agency which Mr. Goldsmith purchased in 1928 with another agency there.

those carrying indemnity had from 60 to 70 percent of value. Despite the harrowing experience suffered by the city, its residents are determined to rebuild a new and better one, overcoming many of the hazards disclosed in the conflagration.

Pacific Board in Routine Session

SAN FRANCISCO, Nov. 11.—If there are any controversial matters within the Pacific Board at present, they certainly were not apparent at the semi-annual meeting at Del Monte. The meeting opened at 10 a. m. and by noon those in attendance had heard the reports of the executive, sprinklered risk, general agency, public relations, supervisory, agency status and farm committees, had given their unanimous approval to the reports without any ma-

terial discussion, adopted two resolutions of condolence and adjourned. The resolutions were on the recent deaths of G. L. Rathbone of Rathbone, King & Seeley and C. I. Magill, Pacific Coast manager of the Home.

Mallalieu on Pacific Coast

W. E. Mallalieu, general manager of the National Board, will arrive in San Francisco the last of this week on a business trip.

Magill's Successor Not Chosen

SAN FRANCISCO, Nov. 11.—George E. Stroub, supervisor of the Home of New York, who is in San Francisco following the sudden death of C. I. Magill, Pacific Coast manager, following a general survey of the Pacific Coast situation, will return to his New York headquarters after which announcement will be made as to a successor to Mr. Magill. At present the office is in charge of A. W. McKnight, assistant Pacific Coast manager, during

the absence of Paul Normand, who is at present confined to his home by illness.

Notables at Legion Post Luncheon

SAN FRANCISCO, Nov. 11.—Notables in the political and business life of California, officers of the army, navy and marine corps attended the "San Francisco-Oakland Bay Bridge" luncheon of Insurance Post 404 of the American Legion. Gus A. Elbow of the Finn-Elbow Company was chairman. Ben Springsteen, commander of the post, opened the meeting.

New Supplemental Contract Rules

SAN FRANCISCO, Nov. 11.—A new manual of "rates and rules for writing additional hazards supplemental contract" has been issued by the Pacific Board. The manual supersedes rates and rules applying to the "seven-point" contract formerly in the tariff and covers the "eight-point" contract, which went into effect Nov. 1 and which includes smoke damage.

EASTERN STATES ACTIVITIES

Tornado Income Is Lower

Eastern Men, While Producing Good Amount of Business, Make Less Because of Rate Slash

Has Resulted in Great Saving

New Jersey Plan for Handling Insurance on Properties Owned by Distressed Institutions Successful

NEW YORK, Nov. 11.—Although volume of tornado business written in the territory of the Eastern Tornado Association, whose field is co-extensive with that of the Eastern Underwriters Association, is naturally much less than that produced in western or southern territories, it aggregates a substantial amount, the income from which will be considerably less this year however, because of rate reductions effected early in the season.

That members of the organization appreciate possibilities of tornado coverage in the east was attested by the unusually large attendance at the annual meeting of the body and the close attention given reports submitted.

While no important changes in association rules or practices are contemplated, at least for the near future, slight modifications will be made from time to time to bring the regulations into harmony with regulations of related bodies. L. L. Wilbank of the Commercial Union group is president of the association.

Eastern Notes

W. H. Gurney, vice-president of Gurney, Overturf & Becker, Buffalo, has been elected a director of the Marine Trust Co. of that city.

Loder B. Burton, local agent at Salem, N. Y., passed away recently. His business has been sold to Charles B. McKee, another established agent in Salem. In addition to being an insurance agent, Mr. Burton was also an undertaker.

NEWARK, Nov. 11.—The "Withers Plan" designed to manage scientifically the real estate held by 70 closed loaning institutions in New Jersey is paying dividends in increased rentals and sales. The system put into effect last September, has reached in rental increases from 10 to 15 percent, 80 percent in reduction in arrears and definite sales stimulation, according to Insurance Commissioner Withers. The plan, he points out, was devised to administer the vast amount of real estate held in the accounts of four insurance companies, 15 banks, 40 building and loan associations and 11 title companies.

These closed institutions, administered by the state department as trustees, the commissioner points out, have investments of about \$75,000,000 in mortgage loans and foreclosed real estate, involving more than 3,200 properties, 12,000 tenants and an annual rent roll of \$4,000,000.

Control Is Centralized

Centralized control, Commissioner Withers explains, is in contrast with the previous methods of attempting liquidation in the field where the institution happens to be located with separate administration, real estate management and counsel. "The plan which, so far as is known, has not been heretofore attempted," Commissioner With-

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EXCESS OF LOSS

CONFLACRATION

ers states, "on so comprehensive a scale, contemplates in the interests of economy and conservation, the concentration in a central division of all institutions under the supervision of the department of banking and insurance, whether in the process of liquidation or rehabilitation."

It has also been pointed out that scattered and costly liquidating receivers had been replaced by local property managers picked on a merit basis. The division of conservation includes a complete staff of receivers, legal aides, fire and casualty insurance sections and many others which have cut down large overhead expenses.

The insurance operations are conducted through members of the New Jersey Association of Underwriters, which cooperates with the state department.

Bureau's Boston Changes

BOSTON, Nov. 11.—W. J. Greer, former general manager of the eastern department of the Fire Companies Adjustment Bureau, after Dec. 1 will cooperate with C. W. Elwell, Boston branch manager, and J. J. McDevill, general adjuster, in supervising the work of the bureau in this field, E. F. Rath, district superintendent, will retire from active service at that time, following 25 years connection with the bureau. He has served as adjuster with the New York Board, in the Baltimore office of the bureau, in Buffalo, Clarksburg, W. Va., Boston, Philadelphia and New York.

Pittsburgh Agents Meet

PITTSBURGH, Nov. 11.—The Fire Agents Association of Pittsburgh held its first meeting under the new officers Monday. Harry Lichtenhaler of Freehold Real Estate is president.

Connecticut Agents' Meeting

At the annual meeting of the Connecticut Association of Insurance Agents to be held at the Hotel Taft, New Haven, Nov. 19, Insurance Commissioner Blackall of Connecticut, F. S. Dauwalters, New York City, director of the Business Development Office, and John W. Downs, counsel of the Massachusetts Insurance Federation, will speak in the afternoon. At the luncheon, which will

be given complimentary by the Security of New Haven, Hugh Shields, humorist of Ridgefield, will attend.

Elected in New Jersey

NEWARK, Nov. 11.—John B. Rooney, special agent for the Firemen's group working out of the home office, has been elected to the New Jersey assembly on the Democratic ticket. Winant Van Winkle, vice-president of the Commercial Casualty, is also in the New Jersey senate, but of an opposite political faith.

Rate Board Members Renamed

BOSTON, Nov. 11.—R. S. Robie of Melrose, proprietor of an automobile renting service, and B. R. Wilson, Boston lawyer, have been reappointed by Governor Curley as members of the board of appeals for fire insurance rates. First Deputy Commissioner Cogwell acts as chairman of the board.

Blackall Greenwich Speaker

Commissioner Blackall of Connecticut was a featured speaker at the annual dinner meeting of the Insurance Board of Greenwich Nov. 9.

On Hartford C. of C. Board

HARTFORD, Nov. 11.—Elected as directors of the Hartford Chamber of Commerce were Malcolm C. Wight, secretary Hartford Fire, and J. Watson Beach, local agent.

Agent Elected Mayor

Joseph Pratt of Keogh & Pratt, Woonsocket, R. I., was elected mayor of that city. Although in the insurance business for the last three years only, he has won a substantial position in that field by his alert and aggressive soliciting. He has served as city treasurer and was elected on the Democratic ticket. The agency with which he is connected is one of the oldest in the city and before Mr. Pratt entered it, was known as the William F. Keough Agency.

Monmouth County, N. J., Meeting

A meeting of the Monmouth County Insurance Agents Association will be held Nov. 18 in Freehold, N. J., follow-

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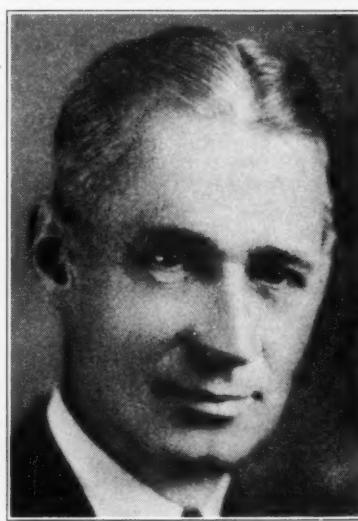
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Tennessee
Missouri
Nebraska
Wisconsin

R. L. Thiele, Ass't. Mgr.
M. E. Bulske, Chief Inspector

New President



ROBERT N. DAVIS

Robert N. Davis, North Conway, N. H., well known local agent, becomes president of the New Hampshire Association of Insurance Agents.

ing a session of the executive committee, vice-presidents and committee chairmen of the New Jersey Association of Underwriters at Trenton. Officers of the Monmouth County Association are: S. E. Pawley, president; H. M. Farrow, vice-president; A. L. Stansbury, secretary-treasurer.

Plan Special Agents' Day

The Ocean City (N. J.) Insurance Association has set aside Nov. 17 as "special agents" day, with a golf tournament followed by a dinner and a general good time at the Ocean City Golf Club, Somers Point, N. J.

MARINE NEWS

Safety Regulations in Effect

International Convention Requirements Are Adopted—Continuous Watch on Large Passenger and Cargo Ships

NEW YORK, Nov. 11.—Last week the United States put into effect the international convention for safety at sea. Although it was not ratified by this country for seven years, American ship-builders were foresighted enough to adopt its requirements and today America's sea safety record tops that of all other countries.

According to the requirements, all passenger and cargo ships of more than 5500 gross tons must maintain a continuous watch by wireless operators. Ships of smaller size must maintain at least an eight hour watch. Automatic alarms are being perfected so that continuous watch may be kept on all vessels. The great advantage of the watch requirement is that an S. O. S. will be received at any time and prompt assistance rushed to the vessel in distress.

The navigation terms as set down by the convention apply to all ships on all voyages, requiring the immediate communication of all direct dangers to navigation to all ships afloat. Other rules require lifeboats for all passengers and members of crews and transporting of cargo that is liable to endanger life and safety, by reason of its nature, quantity or mode of stowing, is forbidden.

The United States government retains control of the international ice patrol with maintenance costs apportioned among the various countries, according to each one's shipping in the North Atlantic.

tioned among the various countries, according to each one's shipping in the North Atlantic.

More Stringent Rules

More stringent rules for internal construction have been put into effect and every new passenger ship on its completion must be inclined to determine the elements of its stability. Crews and officers will be instructed so as to insure efficient handling of the vessel. Many rules and regulations of a technical nature are embodied in the convention with every effort put forth to avoid sea disasters such as has occurred in the past.

The 18 countries that have adopted the convention are the United States, Germany, Australia, Belgium, Canada, Great Britain and Northern Ireland, Denmark, Spain, the Irish Free State, Finland, France, Italy, Japan, India, Norway and the Union of Socialist Soviet Republics.

Milwaukee Company Marine Department Now in Chicago

The Northwestern National of Milwaukee has moved its inland marine department to Chicago, with offices at A-1588 Insurance Exchange, where the Chicago branch of the fire and casualty departments are also located. The marine department is in charge of F. K. Hinton, who has been executive head of the department at the home office for a number of years. He was formerly with the North America and is well experienced in marine underwriting. All of the company's marine business will be handled in Chicago. W. D. Reed, vice-president, said the move was prompted by the fact that Chicago is the logical point for transacting this type of business.

Certificate Must Show Premium

COLUMBUS, Nov. 11.—The Ohio department has been advised that some companies which place insurance on financed automobiles have been issuing policies, certificates or "notices" of insurance to be delivered to the purchaser-assured, which do not show the premium for the insurance. The department has ruled that companies, agents and non-resident brokers writing insurance on such mortgaged property shall set forth the amount of the premium in any policy, certificate, notice, memorandum or other document delivered to any mortgagor, mortgagee, or mortgagee's assignee, or any other persons whose interests are insured. In this way, the purchaser-assured may know the actual cost of the insurance on the property and, in event of the cancellation of the insurance, whether return premiums have been paid or allowed at the proper rate.

Newton Board Plans Booth

The Newton (Kan.) Insurance Board is making plans for an insurance and fire prevention booth at the Newton Merchants' Exposition in the spring, according to President H. L. Johnson, Southwest Land Co. agency.

Priest Talks to Business Men

Frank T. Priest of Dulaney, Johnston & Priest, is addressing the Wichita Independent Business Men's Association Nov. 16 in the third of a series of business lectures on "Insurance—an Asset to Your Business." Some 500 members and employees are attending the series. Ralph E. Lightner of the Monarch Investment Company agency is president of the association.

Obie J. Smith, prominent in Indianapolis insurance circles for many years, suffered a broken hip when he was endeavoring to get his automobile back on the highway in the southern part of the state after it had slid into a ditch. He was taken to the Methodist hospital at Indianapolis.

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November 12, 1936

CASUALTY AND SURETY SECTION

Page Twenty-nine

Stresses Agents' Aid in Stability

Individuals, Through Work in Associations, Can Strengthen Business—Krum

SPEAKS IN CINCINNATI

Ohio Leader Tells Casualty Men Question of Commissions Is Major Problem

Importance of the part played by the individual agent through his membership in the Ohio Association of Insurance Agents in stabilization of the casualty business was stressed by C. L. Krum of the Aetna Casualty at Cleveland, chairman of the casualty stabilization committee, before the Cincinnati Casualty & Surety Association.

Mr. Krum discussed important problems of the casualty business and told of the work of his committee. He paid tribute to the cooperation of Secretary J. A. Lloyd of the Ohio association. Mr. Krum pointed out that casualty is the heart of the insurance business.

One of the major problems today is that of commissions, he said. Some agents with a small volume get a general agent's commission and other large agencies with a big overhead only receive the regular commission. Some of the companies are sidestepping the acquisition costs rules, he added. If too much is spent for acquisition cost, there is not enough to take care of the rest of the business, and if acquisition cost is too high and rates too low, reserves suffer.

OUTLINES PAST PROBLEMS

Some of the problems in the past were mentioned by Mr. Krum. Years ago, he said, automobile fire and theft were written under valued forms. Automobile fire was given a discount if a certain fire extinguisher were carried in a designated location. A discount on theft insurance was given if a certain lock were used and on collision if the car had bumpers.

"What is the right rate on products liability?" he asked. "This is a pressing problem still to be worked out. Many lines have developed because of the demand from large buyers for a special coverage," Mr. Krum stated, mentioning difficulties companies have had with compensation in the past. He also said that retrospective rating would probably solve the problem.

In the recent landslide for President Roosevelt, he said, there were probably a number of irresponsible politicians who were elected to office because of Mr. Roosevelt's popularity who know nothing of the cost of insurance, which is "too vital to industry to be used as a political football." He mentioned the Sherrill report in Ohio which recommended a state fund be created to write

Suit Filed Asking Receiver for Commonwealth Mutual

AGENCY'S LICENSE IS REVOKED

Massachusetts Department Tells of Findings in Investigation—Compulsory Policies Still Effective

BOSTON, Nov. 11.—A petition asking the appointment of a receiver for the Commonwealth Mutual Liability of Boston was filed in the supreme court by Frank Fasano, one of the company's compulsory automobile liability policyholders. Commissioner DeCelles had just revoked the agency license of the State Underwriters Insurance Agency, chief agency of the Commonwealth, which has written more than \$800,000 in premiums in 1936. The company's affairs are being examined by the Massachusetts department.

At a hearing before Supreme Court Judge Crosbie, Commissioner De Celles asked for more time that his examiners might go over the books of the company. Final hearing on the petition for a receiver was set for Dec. 1.

Commissioner De Celles said no motor car operator holding a policy in the Commonwealth need cease operating his car.

"I have done my best," the commissioner said, "to conserve the assets of this company by taking \$200,000 in bonds and depositing them with the state treasurer and an additional \$100,000 in bonds has been placed under the seal of the department and deposited in a Boston bank.

"Pending the outcome of the petition I have tied up all bank accounts of the company. This action does not prevent a single car driver from operating his car. The insurance policies are good until the court issues a permanent injunction."

EXAMINER'S REPORT ON AGENCY

The revocation of the license of the State Underwriters Insurance Agency of Massachusetts followed a report from the chief examiner. The report also discloses that the state had been making a searching investigation of the Commonwealth Mutual Liability, for which the State Underwriters Insurance Agency acts as agent in return for payment of 30 percent on all compulsory automobile liability insurance business and a larger percentage of property damage and other premiums.

The report found that the agency had "failed to function for about five months; has never fully complied with the terms of the contract; has operated for over two months without a license, and has been paid commission to which it was not entitled."

HAS BIG TAXI BUSINESS

The Commonwealth is believed to have taken in somewhere between \$500,000 or \$1,000,000 premiums on taxicab and other automobile and miscellaneous business, and has done a large business in financing of premiums for agencies. The commissioner states the interests of the automobile owners insured by the company are believed safeguarded by a

(CONTINUED ON PAGE 34)

INCREASE IN ACCIDENT SALES NOTED AT NEW YORK MEETING

LECTURE SERIES IS STARTED

Hammer Urges Salesman to Be Familiar with Application Blank—Psychologist Gives Views

NEW YORK, Nov. 11.—"The increase in accident and health premiums in the past year in the metropolitan area is an indication of the improvement in business conditions," observed Harry A. Usher, Aetna Life accident and health department superintendent, at the opening lecture in a course sponsored by New York Accident & Health Club.

Leslie W. Winslow, Fireman's Fund Indemnity, educational committee chairman, introduced Wesley T. Hammer, Metropolitan Casualty superintendent accident and health department, who spoke on "The Prospect and Application." Mr. Hammer said the accident and health policy is not a complicated document but it is a legal contract and must be treated as such. It has three divisions: identification, the insurance history of the prospect and his physical history and present condition. It is important to answer all of these questions carefully. For example, the explanation of the nature of a man's business determines what classification he is in and what premium he shall pay. Occupations and duties should be stated most fully.

(CONTINUED ON PAGE 34)

JOS. FUTZ SENDS LETTER TO PRESIDENT ROOSEVELT

EIGHTY-FOUR, PA., Nov. 11.—With commendable pride, the insurance leader, Jos. Futz, dispatched Wednesday morning of last week a special delivery letter to President Roosevelt at the White House, tendering congratulations and telling him that this locality turned back the Republican horde in Pennsylvania. Mr. Futz aptly characterizes the President as the "man of the hour."

He further tells Hon. Roosevelt that he has the opportunity of a life time to hand down his name in imperishable bronze by cleaning out the insurance underbrush. Mr. Futz uses his cousin here, Geo. Futz, who runs the filling station and sells insurance, as an example of a demoralizer in this lofty profession in that he can well be called a "chiseler of insurance" as Jos. boldly puts it. Furthermore Jos. claims his cousin is jealous of him and seeks to humiliate him in the eyes of the community.

Jos. informs the Hon. Roosevelt that Geo. voted for Landon and urged others to do so. "It is such socalled agents," Jos. intimated in his special delivery letter, "that you should employ every means in your power to run out of the country."

EQUITY HEARING IS GIVEN COMPANIES

DeCelles Outlines Views on Massachusetts Auto Liability Rates

NEW ACTION IS TAKEN

Denies New Schedule Is Inadequate—Not Required to Base Ruling on Submitted Data

BOSTON, Nov. 11.—At a hearing here yesterday counsel for the 42 casualty companies that are protesting the 1937 schedule of automobile liability rates under the compulsory law, promulgated by Commissioner De Celles, asked for the appointment of a master to hear the merits of the appeal.

W. H. Hitchcock, chairman of the Massachusetts board of bar examiners, was appointed master by Judge Crosbie of the supreme judicial court, to hear the petition of the companies. F. H. Chase, appearing for the companies, was heard on a bill for an injunction against the commissioner's schedule of rates for 1937, which would, if granted, automatically continue in force the present rates of 1936, which are higher than Commissioner De Celles' proposed rates for 1937. Commissioner De Celles, represented by Assistant Attorney-General Fielding, opposed granting of the injunction. Judge Chase maintained the order for promulgation of the 1937 rates by the commissioner was null and void as it had been issued without first giving fair consideration to evidence at a public hearing. Decision on the issuance of an injunction was postponed to Nov. 17 and counsel ordered to submit briefs on the issue Nov. 16.

The company's bill in equity was answered last week by demurrers filed by the insurance commissioner. The demurser asked that the bill be dismissed on the grounds the companies had statutory means of relief through appeal for judicial review of his rate promulgations and are not entitled to relief in equity proceedings.

DENIES INADEQUACY

The demurser, referring to the amendment to the equity petition which alleges the companies are deprived of their liberty and property without due process of law and denied the equal protection of the laws, answers that it does not appear from the facts alleged in the amendment in what manner the petitioners were deprived of their liberty and property.

As to the allegation in the petition that the commissioner reduced the figures representing the companies' losses for the years 1931 to 1935, inclusive, by 2 percent, rendering the premium charges inadequate by that percentage, the commissioner denies that the reduc-

(CONTINUED ON LAST PAGE)

Broader Compensation Law Expected in Pennsylvania

EARLE IS NOW IN CONTROL

Liberal Act Rejected by Republican Senate Now Certain to Be Passed by Democrats

PHILADELPHIA, Nov. 11.—The victory of the Democrats in Pennsylvania, giving the Earle administration control of both the houses of the legislature makes it certain that one of the very first acts of the 1937 legislature, when it convenes early in January, will be the enactment of the administration-sponsored workmen's compensation act. This measure is considerably more liberal, with a broader coverage and with an increased schedule of compensation. Together with this bill the legislature will probably pass the companion occupational disease supplement to the workmen's compensation act. It is still uncertain whether this particular bill will be the same as the one which the administration introduced in 1935 as it has had a commission study occupational diseases for the past year and it is likely that the 1937 measure may be considerably broader than the previous one. The workmen's compensation bill, however, will be the same as that which the Republican state senate killed 18 months ago.

In a radio address on election night Governor Earle told the public that these acts would be among the very first that he would have enacted by the new legislature.

Expect Rate Increase

It is a foregone conclusion that workmen's compensation rates in Pennsylvania will be increased materially with the passage of this legislation. Insurance men appear to be divided regarding the general effect of these bills. All of them seem to take as a matter of course the fact that the measures will be among the first to be passed by the new legislature but they do not all agree as to just what will happen after they are adopted. Some appear to feel that the companies need not worry regarding increased loss ratios as the necessarily higher rates will offset any increase that may occur in the losses. Still others are of the opinion that the broadened aspects of the new act, which include compensation for life both for total and partial disability, will make it difficult to arrive at the proper reserves to set up and that it will be far wiser for the companies to shy clear of the business, letting it go to the state fund without a struggle. As a matter of fact, some of the companies saw the handwriting on the wall several months ago and began to slough off their workmen's compensation business in Pennsylvania. Of course, it must be admitted that the experience has not been such as to make some of the companies overly anxious to retain any of this line of business.

Many Radical Departures

The new workmen's compensation bill will contain many radical departures. The schedule of compensation will be considerably higher. Where the weekly compensation now has a minimum of \$7 and a maximum of \$15 with a maximum aggregate of \$6,500 and a maximum number of weeks of compensation of 500, the new law will provide a minimum of \$12 per week with a maximum of \$25 per week. The new measure will have no limit as to the number of weeks or the maximum amount that can be paid. The present act eliminates the first seven days of disability but the new measure will provide that if the total disability continues for a period of three weeks or more the employee will be entitled to receive compensation for the first seven days of total disability.

The language in the new act will be considerably broader in that it will be

National Cooperators Is Now Spreading Its Wings

James C. Preston of Denver, president National Cooperators Mutual, which writes accident and health insurance, while on a business trip in Kansas City had an operation for appendicitis. Vice-president and General Manager Rex Bixby announces a new insurance service developed by the company in that it has a merit rating plan involving an adjustment of premium outlay to claim experience of the individual risk. It is incorporated in new applications as a non-cancellable feature. The company, he said, intends to apply this double feature to its personal policy offerings for health and accident. In due time, he says, the National Cooperators Mutual expects to apply these features to the lines of fire and automobile insurance which field it proposes to enter. The company has inaugurated a monthly bulletin service, spreading news in the field of cooperatives, telling about its own development. It is sent to prospective groups of buyers.

The National Cooperators Mutual has arranged a series of cooperative meetings in agricultural centers in Colorado.

Invisible Glass Not Likely to Increase Premiums Much

HARTFORD, Nov. 11.—In spite of the fact that invisible glass display windows for stores entail a very high rate, company men do not believe that this type of window will substantially increase the premium volume of plate glass insurance. It takes twice the rate for plain glass.

One plate glass underwriter feels that this type of show window is a novelty. He believes its use will not be widespread because of the cost. The window is a dangerous risk, due to the fact that it is often necessary to destroy several of the eight mirrors that are an integral part of the setup, in order to replace one of the two curved plate segments. Also the process of setting the window may result in breakage.

Another point in connection with this type of window is the problem of whether to write the risk at the regular curved plate rates or whether to establish special rates.

In the opinion of a local store advertising manager the novelty of the window and the advantage in displaying merchandise is well worth the cost. He does not believe, however, that this window will be widely adopted due to cost, necessity of more than average space behind the window, and advantage gained in display with only certain types of merchandise.

Some companies are refusing to write this type of insurance except where the policyholder carries a large amount of desirable plate glass coverage. This means that specialty shops and others might have difficulty getting protection.

Teachers to Discuss Liability

NEW YORK, Nov. 11.—Representatives of the various groups embraced in the Teachers Guild of this city will meet Nov. 16 to discuss legislative action protecting them from liability for injury suffered by pupils under their charge. Specifically they will consider whether to secure mandatory legislation, or seek coverage from casualty companies.

one defining the liability of an employer to pay damages for injuries received by an employee in the course of or resulting from (the latter phrase is new) employment. It also changes the elective system to a compulsory system.

L. W. Sturgeon, assistant manager of the Indiana branch of the Aetna Casualty, was elected president of the Highland Country Club, just north of Indianapolis.

New York O. L. & T. Rates Not Included in Revision

EXPERIENCE BEING CHECKED

Empire State Tariffs Changed Two Years Ago—Should Be Raised, Casualty Men Declare

NEW YORK, Nov. 11.—New York of all states of the union was not included in the rate revision for owners, landlords and tenants public liability insurance, promulgated by the National Bureau of Casualty & Surety Underwriters Nov. 2 and immediately effective.

Tariffs in the Empire state for the line were revised two years ago and there is no immediate prospect of change. Loss experience in the territory is constantly being tabulated and analyzed, and in due time the result revealed will form the basis for a general rate review.

According to casualty managers, existing tariffs, in certain of this city's boroughs at least, could well stand an advance since claims for accidents allegedly due to faulty building conditions continue to be filed with increasing frequency. While a percentage of the claims are for modest amount and unquestionably honest, others are for exaggerated sums, inspired by the activity of lawyers eager to get a percentage "cut" of recoveries.

In spite of the efforts of the authorities to check ambulance chasing and fraudulent claim making, casualty companies still suffer from both; results show in the annual loss payment records.

Develops Arrangements for Handling Long Haul Trucks

C. C. Rosenbarger, general manager of the G. I. Service Company in the Insurance Exchange building at St. Louis and his assistant, Jack Rodgers, have returned from a trip to San Francisco where they had a conference with President C. W. Fellows of the Associated Indemnity and some of his associates. The G. I. Service Company handles long distance trucks through an underwriting service arrangement with the Associated Indemnity. It does not write trucking risks direct but only through agents and brokers. Mr. Rosenbarger is in charge of engineering and underwriting, having devoted most of his career to studying and applying safety engineering rules for freight transports on highways. He is a member of the American Society of Safety Engineering and one of the chairman of the National Safety Council's vehicle section. Mr. Rosenbarger has been able to secure rate reductions where trucking concerns cooperate satisfactorily in reducing hazards.

New York Committee in Boston

BOSTON Nov. 11.—A dozen members of the New York state joint legislative committee to investigate compulsory automobile liability insurance, Senator Julius Berg, chairman, held hearing here for four days, gathering information as to the workings of the Massachusetts compulsory law. John W. Downs, counsel Insurance Federation of Massachusetts, appeared before the committee, as did Manager W. N. Magoun of the Massachusetts Automobile Rating & Accident Prevention Bureau, furnishing such information as the committee desired. A similar committee from New York came to Massachusetts last year and held hearings.

The Illinois Inspection Bureau has published rate books for Colton, Dixon, Herrick, Kampsville, Oconee and Ohlman.

Insurance Men Meet with Labor Secretary Perkins

DISCUSS ACCIDENT, O. D. LAWS

Federal Official Reports Great Advance in Legislation to Protect the Working People

WASHINGTON, Nov. 11.—Representatives of the insurance industry this week participated, with representatives of labor, education and state officials in the third annual conference on state labor legislation held by Secretary of Labor Frances Perkins. Miss Perkins pointed out that during the past three years more and better labor laws have been passed than in any comparable time in the history of the country, citing particularly enactment of protective laws against accident and industrial disease by 16 states.

Cooperation between the department and the states has resulted in increasing efficiency in labor law administration, it was reported to the conference, outstanding developments along this line being inauguration by the department of training courses for factory inspectors, where inspectors now actually on the job can be given a brief course in recognizing and eliminating hazards of mechanical and industrial disease.

A report from the committee on industrial safety and health recommended continuation of the department's studies of hazards in industry and inauguration of studies by the states, with cooperation of the department, of conditions in industries which may be largely confined to one or two states.

Confer on Motor Carriers

JACKSON, MISS., Nov. 11.—Along with adjustment of taxation, the state must take action to afford protection against the damage suit "racket" if motor carriers are to receive a fair return on their investment, Commissioner Williams told officials attending a conference to consider taxation of motor freight carriers. He said some companies have withdrawn from south Mississippi and other sections in protest against the damage suit "racket."

Governor White expects to confer further with motor freight carriers after the special legislative session called for Nov. 23 has adjourned. His proposed plan includes a requirement for liability insurance before a carrier is licensed.

Cooperate on Safety

HARTFORD, Nov. 11.—The Travelers is one of the first large employers in Connecticut to adopt the plan of the governor's safety commission to promote highway safety among the employees by urging safety in walking and driving during business hours as well as outside.

At a meeting last week, George D. Newton, agency assistant, representing D. A. Read, head of the company safety organization, outlined the plan being made for the company. This plan calls for slips containing warnings and suggestions to be placed periodically in the pay envelopes, posters to be placed throughout the offices, and safety material to be published in club publications as well as the company periodicals.

Declares Extra Dividend

In addition to the regular annual dividend of \$1 per share, the Protective Indemnity of New York declared an extra of 50 cents, both payable Nov. 2 to stock of record Oct. 21.

Two important general agency appointments by the **National Surety** are those of Rightsell-Collins-Barry-Donham, Little Rock, Ark., and Stokes-Bandy Co., Nashville. The latter agency is of recent formation and replaces the previous firm of Hicks & Brady.

Hearing on Pacific Mutual Rehabilitation Is Continued

BREIBY IS STILL ON STAND

Commissioner Williams of Mississippi Sends Letter Commending the Proposal of California Department

LOS ANGELES, Nov. 11.—Judge Willis in hearing the Pacific Mutual Life case and the Commissioner Carpenter rehabilitation plan filed a letter from Commissioner Williams of Mississippi favoring a mutualization plan for rehabilitation of the company. Mutualization is provided for in the Carpenter proposal if voted for by a majority of the policyholders after a lapse of 10 years. Commissioner Williams declared that he believed the mutualization procedure was preferable to the offer of the Occidental Life.

Actuary William Breiby of New York, under cross examination said that the Pacific Mutual could successfully be kept going by the company reorganized under Commissioner Carpenter's direction as conservator. The life business, he said, showed profits last year, although the non-cancellable accident and health showed a deficit.

Amount for Reserve

Based on conditions as of July 22, he said it would be necessary to build up a reserve of \$25,717,440 to protect the non-cancellable risks. He reached this conclusion on the present value of claim payments for the 1918, 1921, 1926, 1929 and 1931 groups, totaling \$39,174,212, plus \$2,700,275 for the present value of claim expenses and \$120,168 for reserves for the 1932 and subsequent groups, subtracting \$16,277,215, the estimated present value of future premiums less collection and other charges.

Actuary Breiby said there were 1,700 non-cancellable policies on the claim list as of July 22. The average monthly indemnity including those on claim this year was \$185. The average monthly indemnity of those on claim Dec. 31, last, was \$216. The acquisition cost of business last year was \$22 per thousand.

Has No Precedent

Actuary Breiby said that he had no knowledge of any plan of rehabilitation of life companies such as Commissioner Carpenter proposed. He said he never knew of a company being in a similar status where one single group of policies caused all the trouble and the others were profitable. Actuary Breiby considers the plan fair to all policyholders, holding that dissenting non-cancellable people are on the same plane and will receive the same percentage benefits as assentors.

Adverse selection, he said, is more likely to come from the newer non-cancellables than from the older ones, adding that the gross profit of \$8.80 per \$1,000 in force in 1937 as shown in his projection was made from excess loading, excess interest earnings and mortality savings, less loss from total and permanent disability.

Actuary Breiby stated there are 48,773 active life non-can policies with a total monthly indemnity of \$364,550. He said that \$1,500,000 was paid on non-can claims last year.

A. Dexter Best, son of A. M. Best of A. M. Best Company, New York City, who has two non-can policies, filed a long letter protesting the Carpenter plan.

STATEMENT BY JUDGE WILLIS

The Pacific Mutual Life hearing was featured this week by statement from Judge Willis regarding a line of testimony from Actuary Breiby in a cross examination. Counsel sought to bring out the alleged facts back of the difference of more than \$3,000,000 in the non-can reserves as shown by the company's

Observe Hoodoo Day in Special Accident Drive

FRIDAY, Nov. 13th, is National Hoodoo Day and thousands of accident and health men will be using the superstitious approach in a special sales drive sponsored by the National Accident & Health Association and the Accident & Health Review. The object is for the contestants to sell 13 disability policies so as to qualify for membership in the exclusive Black Cat Club.

Intentional Injurious Act Debated by Lawyers Group

Tom Leeming, Chicago insurance attorney, in a paper read before the Chicago Life Insurance Lawyers Club entitled "Exception from Risk Resulting from Loss or Injury Intentionally Inflicted," outlined litigation resulting from the clause in accident policies which provides the company is not liable in case of injuries intentionally inflicted by the assured or another. He cited the case of Ziolkowski vs. Continental Casualty which, after having gone through the Illinois appellate court three times is now pending in the state supreme court.

The case revolves around the question whether the carrier can prove that death was intended in the altercation upon which the claim was based. In the last review of the case in appellate court it was ruled the company should have added "fatal injuries" to the clause. The case was decided in favor of the plaintiff since the company did not specify that death through intentional injury was excluded.

The carrier is basing its continued use of the present clause on cases decided in Texas, Washington, Nebraska and Minnesota. The Illinois case is now in its seventh year. It was suggested that the clause be changed to "intended act of assured or any other person." H. B. Goldstein gave a review of current decisions and L. Bomberger told a story.

own annual report and the convention examination report. The court said in part:

"The legal question arises as to power of court to approve a plan which impairs a contract, which is the most reasonable, just and fairest method. . . . The report shows the company was \$23,000,000 short. This proceeding is to try to take care of that deficit. The commissioner's plan provides that participating and non-participating departments are allocated assets to pay 100 per cent of liabilities; the accident department will start off with a deficit.

No Shifting of Assets

"Under the report you don't have to shift assets, they are all in one pot to pay liabilities; you reach in the pot and get what you want. Under the proposed plan that is going to be cut off. There are to be three places of business, three liability pots and three asset pots, which shift from one to another but not from one department to the other. What the court is anxious to find out is whether the plan is workable first, whether it is fair and just under the law and the equities, and likewise if it is fair and just will it work out."

The only testimony of any importance secured from Breiby was that he did not believe the volume of cash surrender of policies since July 22 was in sufficient amount to have any appreciable bearing on the business.

E. R. Bogg, local agent Osborn, O., died in a hospital in Dayton after a ten days' illness. His widow will continue the business.

The Illinois National Casualty of Springfield, Ill., Suburban Auto of Lombard, Ill., and Sentinel Hospital of Des Moines have been licensed in Iowa.

Pay Compensation Claimants of International Reinsurance

FIRST UNDER NEW YORK LAW

Plan for Protecting Creditors There of Foreign Insurers Is Finally Sustained After Extended Delays

NEW YORK, Nov. 11.—Confirmation of the plan of Superintendent Pink for distributing funds to workmen's compensation creditors of the defunct International Reinsurance having been given by the court of appeals, a first payment of 50 per cent on approved claims will be made within a few days. The initial distribution will approximate \$600,000. A further distribution is promised as soon as additional funds are available. A report dealing with claims of general creditors of the International Re, Independence indemnity and Public Indemnity, the last two being controlled by the International Re, is being prepared by the department, which has the companies in liquidation.

First Distribution of Kind

It is believed that this will be the first distribution made in this state of funds realized from deposits made to qualify foreign carriers writing workmen's compensation insurance in New York. Section 54, subdivision 7 of the workmen's compensation law was enacted in 1929 and became effective June 30 of that year. Agitation for protection of injured workmen and their beneficiaries in the event of insolvency of foreign insurers operating here arose out of the failure of the Merchants Mutual of New Jersey. While this concern was licensed in New York it had no funds here and compensation creditors were forced to look to the general assets of the company in New Jersey. This situation left the creditors of foreign carriers with less protection than those dealing with domestic workmen's compensation carriers, whose assets here were charged with a lien for the payment of compensation awards under provisions of the compensation law.

Result of Long Litigation

The International Reinsurance was placed in receivership April 19, 1933, at Wilmington, Del., and on May 2 an order appointing the superintendent as conservator in this state was entered. Since then many novel questions of law have been presented to the courts and it was only after long litigation, terminating in the court of appeals, that the superintendent successfully sustained his recommendations, affording the maximum protection and payment to compensation creditors of the company in this state.

Operates Cash Night Indemnity

AUGUSTA, GA., Nov. 11.—Despite the efforts of the Deputy Commissioner Wright of Georgia to stop the activities of the Southeastern Cash Night Indemnity Company of Augusta, its organizer, B. Emory Wilcox, local district manager of the Northwestern Mutual Life, still continues to operate. Last week it paid a "loss" for \$405 on one of the "lucky" persons whose name was called at a local theater drawing.

Mutual Information Bureau

A bureau of information has been formed by the American Mutual Alliance of Chicago to answer inquiries from publications now addressed to individual mutuals and so broad in scope they should be answered by an organization.

Samuel E. Thompson of the General Reinsurance is expected to return within a few days from a combination business and pleasure trip to Europe. He has been away about six weeks.

National Surety Loan to Natsurco Under Fire

NEW YORK, Nov. 11.—Counsel for National Bondholders Corporation undertook in a hearing Tuesday to prove that the old National Surety in standing behind bank loans totaling \$6,500,000 of Natsurco Realty Corporation violated the insurance law limiting the risk to which a surety company may expose itself on any one undertaking to 10 per cent of capital and surplus. W. B. Joyce, former chairman of the old National Surety, contended this was not true, since Natsurco itself had collateral up with the banks covering the loan. The Bondholders Corporation is suing Mr. Joyce and about 100 directors and large stockholders of old National Surety. The main reliance of the plaintiffs is on this bank loan transaction. Hearings in the case are scheduled for resumption next Tuesday.

Will Assess Policyholders

LOS ANGELES, Nov. 11.—Policyholders of the defunct Automobile Owners Indemnity of Los Angeles, which was formerly a leading reciprocal, are now faced with assessment following a levy by the insurance department to make up impairment of unpaid losses and other liabilities. The assessment is about one and one-half times one premium. Following the general precedent of the law established in the superior court hearing of the Gibraltar Casualty insolvent, all policyholders of the defunct exchange have been levied against and notified that unless remittances are made within 10 days, legal action will be taken. The by-laws make no provision for limitation of assessments. The total amount of the first levy is \$66,800. The second assessment may be made if it is found that some of the policyholders are not able to pay.

The Automobile Owners Indemnity Underwriters was organized about six years ago, operating in conjunction with the "A. A. O. A." Automobile club.

Boston A. & H. Men Hear Stone

BOSTON, Nov. 11.—E. C. Stone, United States Manager Employers Liability, will speak at the monthly meeting of the newly formed Boston Accident & Health Association tomorrow.

Bryan Gives Des Moines Talk

The Des Moines Casualty & Surety Club heard A. D. Bryan, home office representative of the Aetna Casualty & Surety, explain its plan of survey selling. He has charge of the survey plan in the home office. In the opinion of Mr. Bryan, local agents need a definite sales program, need something to set them apart from the average solicitor, and need something to get the prospect's mind away from price, and toward protection. The Aetna survey plan, Mr. Bryan said, is proving very effective in that it is making more and better business for the agent, and this business is written so that it usually remains on the books.

While in Des Moines, Mr. Bryan, in conjunction with Kenneth Ellsworth, manager of the Aetna Des Moines branch office, conducted a one-day school for agents.

E. G. Worthington, 53, for the past 25 years executive special agent of the Royal Indemnity in the office of Field & Cowles, New England managers, died at his home in Newton, Mass. A native of Hartford, he began his career in the home office of the Phoenix of Hartford, and then became traveling auditor for the Travelers, with headquarters for a time in Detroit. He went to Boston in 1911 and had since that time served the Royal as field man and the past few years as executive in charge of New England specials.

CHANGES IN CASUALTY FIELD

Aetna Casualty's Promotions

New Bond Department Superintendents Named in Chicago, Los Angeles, Dallas and Denver

The Aetna Casualty announces four important changes in the field personnel of its fidelity and surety bond department.

J. I. Johnson has been appointed superintendent of the fidelity and surety bond department in Chicago after having served for the past nine years as superintendent in Los Angeles. R. H. Possinger is named superintendent in Los Angeles, after eight years as superintendent in Dallas. J. R. Julien succeeds him in Dallas after being superintendent in Denver for nine years, and W. N. Pitts, for the past ten years special agent in the fidelity and surety bond department in Milwaukee, becomes superintendent of that department in Denver, succeeding Mr. Julien.

Mr. Johnson graduated from Syracuse University and started as a bond special agent in the Rochester office in 1923, being promoted to superintendent there less than a year later, serving successively as superintendent of the bond departments in Denver, Dallas, Los Angeles and now Chicago.

Mr. Possinger obtained his degree in economics from the University of Pennsylvania and entered the employ of the Aetna in July, 1924. After serving as a bond special agent in Grand Rapids, Mich., he became superintendent of the department in Harrisburg in 1926 and was transferred in 1928 to Dallas.

Mr. Julien graduated from the University of Missouri in 1925 and joined the Aetna organization shortly afterwards. After two years as an underwriter in the Denver office, he was appointed superintendent there.

Mr. Pitts, a graduate of the Wharton School of Finance, University of Pennsylvania, entered the employ of the Aetna in 1924, served as an underwriter in the Denver and St. Louis offices and in 1926 became special agent in the Milwaukee office. All are graduates of the company's home office training course.

Mobley Made Vice-President By United States Guarantee

NEW YORK, Nov. 11.—Nathan Mobley, for the past three years assistant to President G. H. Reaney of the United States Guarantee, has been elected vice-president and will handle general executive affairs. Starting as a representative of the Fidelity & Deposit in North Carolina in 1923, Mr. Mobley later became western agency superintendent, and in 1929 was transferred to this city as production manager for its metropolitan office. When the United States Casualty decided to embark in the surety field, Mr. Mobley was selected to manage the department, retiring three years ago to associate with the United States Guarantee. He is widely known to surety underwriters in both western and eastern circles.

Coast Adjustment Firm Now Adding Casualty Department

Announcement is made by Gaynor-DeWitt, San Francisco adjusters, of the addition of a casualty department under the direction of Charles H. Chandler.

Heretofore, Messrs. Gaynor and DeWitt have confined their activities to the investigation and adjustment of claims emanating from special risks, and particularly inland marine and all-risks losses. They have entered into the casualty field after the necessity of

a thorough-going casualty adjusting unit in the San Francisco Bay area was brought to their attention.

Mr. Chandler has had a broad experience in both the investigation and settlement of all types of casualty losses, serving as staff adjuster and claims manager for several prominent companies and at one time was in full charge of the claim department of a large California public utility.

Gaynor-DeWitt have operated independently in San Francisco for the past six years. Prior to that time, Phillip B. Gaynor was vice-president and Pacific Coast manager of Toplis & Hardinge, and George S. DeWitt was a staff adjuster for the same firm. Both Mr. Gaynor and Mr. DeWitt have more than 15 years' experience in the adjusting of claims in their particular field.

Griffith Assistant Manager of A. & C. in Chicago Office

Thomas Griffith has been named assistant manager of the Chicago office of the Accident & Casualty of Winterthur, Switzerland, which has just been licensed in Illinois. He will have charge of underwriting, assisting H. G. Eason, resident manager.

A graduate of the Kent College of Law, he has been with the Continental Casualty, Norwich Union Indemnity and Massachusetts Bonding, part of the time with the last company in the Milwaukee office.

His mother, Mrs. N. A. Griffith, who retired in 1932, had charge of underwriting for the Continental Casualty. She retired after 18 years service.

Employers Re New York Move

NEW YORK, Nov. 11.—The New York office of Employers Reinsurance under D. St. C. Moorhead has moved to new quarters at 107 William street. Ehmann & Co., who have heretofore

ACCIDENT AND HEALTH FIELD

Efficient Management Needed

John D. Rogers Stresses Better Selection and Training Methods in Chicago Association Talk

Need for more efficient recruiting and fundamental training of men was emphasized by John D. Rogers, Milwaukee accident and health manager of the Continental Casualty, in a talk before the Chicago Accident & Health Association. Estimates show that one out of 12 or 15 new accident and health agents is only moderately successful. Methods for checking this terrific waste through the better selection and development of men must be considered, said Mr. Rogers.

The steady, reliable, consistent producer of accident and health insurance who does not enter the business when a young man displays the same characteristics in some other line of work. This means that if he is going to give serious consideration to his change in employment he must be shown evidence that the accident and health business offers opportunities for success. One difficulty in this respect is that the accident and health manager has little or nothing in the way of printed or written information that will give a picture of the accident and health business. Life insurance men were in the same position 25 years ago, but they have rectified it and are now in position to attract high calibre men.

Five points to consider in selecting prospective salesmen were outlined by Mr. Rogers: "1. Will he be honest?

represented Employers Reinsurance on a commission basis and that until this spring were the exclusive representatives of the company in New York, are remaining at 111 John street. Ehmann & Co. no longer represent Employers Reinsurance and the partners do not intend to be active in the future.

Swaim Now Independent Adjuster

I. T. Swaim has resigned after 8½ years in charge of the claim department of the Trinity Universal in Indiana and Ohio and has opened an office as independent adjuster under the title of Swaim Adjustments with offices at 309-130 East Washington street building, Indianapolis. He will handle fire, automobile and casualty claims. Prior to his connection with the Trinity University he represented the claim department of the International Indemnity in Indiana.

Standard Surety in Phoenix

The Dave Johnson Insurance Agency, Phoenix, Ariz., has been appointed general agent of the Standard Surety & Casualty. Mr. Johnson has been a resident of Phoenix for 30 years and has been in the insurance business for 12 years. He has been prominent in Arizona affairs, having been treasurer of the territory of Arizona before it was admitted to statehood, and subsequently was corporation commissioner.

Meredith with U. S. Guarantee

George Meredith, for some years assistant manager of the surety department in the New York City metropolitan office of the Globe Indemnity, is now with the United States Guarantee as an underwriter in its fidelity and surety department.

Los Angeles Field Change

Marshall M. Wagner has been appointed special agent of the Maryland Casualty in Los Angeles. He was formerly with the Ocean Accident and the past four years has been in charge of the bond department of the Commercial Union group.

2. Will he be diligent? 3. Will he work? 4. Will he pay the price in the sacrifices that are necessary to become a high grade salesman? 5. Would you like to see 100 just like him representing your company?"

Mr. Rogers was critical of the methods used in training new men. He said the first duty of the sales manager is to thoroughly educate the salesman in all the fundamentals of the business, including rating, classification, policy provisions, underwriting, claim adjusting, etc. Wherever it is possible Mr. Rogers takes new salesmen out to the county hospital and makes a quick trip to the various wards to observe patients. He then asks the agents to consider the families of these patients and to recall similar circumstances among friends. This basic fundamental knowledge gives the agents a true picture of the conditions and as a result it is not necessary to tell the salesman what to say to a prospect. He will have the right spirit. Instead of chastising an agent Mr. Rogers believes in giving him confidence and courage.

Hoodoo Day Drive

A. D. Anderson, Continental Casualty, vice-president Chicago association, presided. He called attention to the superstition regarding Friday, the 13th, and urged participation in the annual Hoodoo Day which is being held this week. Frank A. Post, editor "Accident & Health Review," told of plans that publication is making for a comprehensive annual number covering all phases of the accident and health business to be used in connection with National Accident &

Health Week. The Chicago association's next meeting is Dec. 8.

Independence to Expand

The Independence Insurance Company of Louisville, organized a couple of years ago to write newspaper accident and health and also life insurance, is having quite a successful experience. It has already written so far this year some \$250,000 in premiums. Last year it wrote accident premiums of \$192,913 and life premiums of \$93,776. Its business has been confined to the "Courier Journal" and Louisville "Times" and it is now considering entering the regular agency field. William P. Tate is president and actuary. The "Courier Journal" and "Times" newspaper life business was formerly carried in the Federal Union Life of Cincinnati and other companies, but the papers decided to organize their own company for this purpose.

Cincinnati Agency's Work

In October the accident and health department of the Earls-Blain Agency, Cincinnati, headed by H. R. Whiteside, secured \$1,300 in new accident and health premiums in the Earls-Blain "Derby." Over 50 percent of the applications were on the annual premium basis, seven men participating. Interest in the contest was maintained by a blackboard drawing of a racetrack, with each of the men represented by a horse and rider. The track was divided into eight parts, special prizes being awarded at the $\frac{3}{8}$ and $\frac{5}{8}$ posts. G. F. Kirkwood won the contest.

Unlicensed Solicitor Held

Harry B. Felton of Columbus waived examination at Chillicothe, O., and was bound over to the grand jury on charges of soliciting business without a license and also of soliciting business for a company not licensed in Ohio. The Ohio department says it has received complaints against Felton from various cities in Ohio. Charles Roll of Ross county, complaining witness in the present case, said he paid Felton \$64.50 as a two-year premium on a health and accident policy in the "Fidelity Mutual Underwriters Group of Minneapolis," and did not receive a policy.

Name McDaniel in Pittsburgh

L. H. McDaniel has been appointed general agent of the Inter-Ocean Casualty at Pittsburgh. He has had a wide experience in the disability business. He is a graduate of Muskingum College in Ohio and was a well known athlete there a few years ago.

North American Sets Record

The North American Accident is showing an increase in premiums this year which far outstrips any previous record in its history. The increase for the first 10 months was \$610,000 and from present indications the entire year will show a gain of close to \$750,000. In the peak prosperity year of 1928, the increase was only about \$400,000.

Skelton Field Supervisor

William Skelton has been promoted to field supervisor in Ontario for the Loyal Protective and Loyal Life. He has been a successful personal producer there.

Aetna Casualty K. C. Meeting

KANSAS CITY, Nov. 11.—Forty-seven Aetna Casualty agents from western Missouri and Kansas attended a sales meeting here conducted by A. D. Bryan, home office field supervisor.

M. R. Coryell, Junction City, and Gene Kelly, Leavenworth, Kas., agents who have been successful for some years with the Aetna plan, particularly in selling new lines, were introduced and reviewed their experiences with the sales method.

OF INTEREST TO YOU?

● Fifty years ago, the world's pioneer in liability insurance, The Employers' Liability Assurance Corporation, Limited, wrote the first liability policy ever written in the United States. We have reproduced, as an interesting historical document for insurance men, that first liability policy which naturally differs considerably from those contracts you sell today.

It is our wish that every insurance agent and broker, every employee connected with any insurance office, who feels that he or she would be interested in owning a copy of this facsimile of the first liability policy written in the United States, should receive a copy. Hundreds have already written in, requesting a copy. Dozens have asked for additional copies.

Perhaps you would find it more interesting than you at present believe. To get your copy please write to the following address or if you prefer, telephone or write to the nearest Branch Office and they will take care of your request.

May we remind you that the world's pioneer in liability insurance, The Employers' Liability Assurance Corporation, Ltd., is one of The Employers' Group companies. The others in the group are The Employers' Fire Insurance Company and the American Employers' Insurance Company and together these three write practically every kind of insurance except life, including fidelity and surety bonds. If you are interested in establishing an agency connection, write to the same address, attention of the Agency and Production Department.



THE EMPLOYERS' GROUP

110 MILK STREET, BOSTON



Stresses Agents' Aid in Stability

(CONTINUED FROM PAGE 20)

liability on school buses. The companies agreed to be liable if the state as an assured were sued. It did not get to the legislature in a bill because of the work of his committee in conferring with legislators and apprising them of the facts in the situation.

The committee is now working with industrial groups in an effort to cut down the number of industrial accidents. Mr. Krum asserted that in all of the operations of his committee it thought first of the public interest.

Standardized Policies

The trend toward standardized policies is an indication that the future of the casualty business will be a lot better than the past, he believes. Most of the automobile writing companies are using the standard auto liability policy and over 60 companies are using the same accident manual. He mentioned the work of the I. M. U. A. in this connection.

If the agent has a real knowledge of the business he need not worry about competition or be afraid to pursue the course he knows is the proper one, Mr.

Krum said, deprecating the stress on price in selling. Recently, he said, 10 agents in a certain city each gave quotations on a coverage for which a manufacturer had asked information, one in a conference company, one in a non-conference, and one in a mutual. Obviously, the prospect saw that the agents were only interested in their commissions. He gave his business to the agent who submitted one proposal.

The agents' qualification law is weeding out the undesirable agent, he said. Too many agents are merely taking orders and not selling insurance. He cited an example where an agent representing a cut rate company had placed all of his business in a conference company because he felt that he was not giving his assured the company which he, as a good agent, should give. The public mind did not change. Mr. Krum said, the agent merely sold the business rather than taking an order.

The Ohio department will make an investigation if its attention is called to the writing of "fictitious" fleets. What it really is, Mr. Krum stated, is cut rate insurance. Mr. Krum said he defined any company to substantiate the grounds for the writing of fictitious fleets. He mentioned the situation in this respect in Akron where employees of the large rubber companies, constituting the bulk of the business, receive

a 40 percent discount on their automobile insurance written under fictitious fleets.

Automobile experience in a locality determines its rates and a person in a city such as Akron not getting the advantage of a fictitious fleet rate has to pay a higher premium than he ordinarily would. It is not logical to assume that just because a person is the employee of a certain company he is a better risk than another. He may be a relative of the other, living in the same house and driving the same make of car, yet one has to pay 40 percent more than the other for his automobile insurance. A rubber company got an 88 percent credit from a conference company on its trucks which operate over the entire country. This is entirely unjustified, Mr. Krum concluded.

W. R. Perkins, president of the Cincinnati association, introduced the speaker.

Confer on Financial Responsibility

HARTFORD, Nov. 11.—Commissioner Blackall of Connecticut and M. A. Connor, state motor vehicle commissioner, attended a conference in Boston with state officials of Massachusetts and New Hampshire and research experts from Harvard on financial responsibility for automobile drivers. The results of

this meeting together with the findings of the governor's special commission on this subject and in preparation for a report to the 1937 legislature.

Increase in Accident Sales Noted at New York Meeting

(CONTINUED FROM PAGE 20)

The agent or broker should make certain there is an insurable interest existing between the beneficiary and the assured, Mr. Hammer said. He mentioned the advisability of naming a contingent beneficiary. If the salesman will familiarize himself with all the questions and their meaning contained on the application blank, he will gain confidence in himself and his ability to sell disability insurance.

Floyd N. Dull, vice-president Continental Casualty, was the chairman of the meeting and expressed the appreciation of the casualty officials who are interested in the educational work being done. He said the meetings last year were found to be very beneficial to producers and companies alike.

The guest speaker was Dr. Arthur Payne, New York psychologist. The extravert makes the best salesman, said Dr. Payne. A salesman, he said, should never start a sales talk to a prospect until he has that man's type pretty well set in his own mind. Many a salesman has talked himself out of a sale with an introvert. A general conversation, covering a variety of subjects, Dr. Payne explained, will reveal a man's characteristics.

Suit Filed Asking Receiver for Commonwealth Mutual

(CONTINUED FROM PAGE 20)

deposit of \$200,000 in bonds held in the office of the state treasurer.

The agency was incorporated in Massachusetts last December with an authorized capital of \$50,000. Its officers have been changed several times but now stand as follows: President, L. E. Schleber; treasurer, B. F. Watson; clerk, Gertrude A. Mahoney; directors, G. V. Kavanaugh, Clerk Mahoney, President Schleber and Treasurer Watson.

Samuel Silverman, corporation counsel during Governor Curley's third administration as mayor of Boston, who is counsel for the State Underwriters Agency, is expected to ask the supreme court to enjoin the revocation of the license.

Confer on Truck Coverage

LINCOLN, NEB., Nov. 11.—Representatives of insurance companies and truck operators have been invited by the Nebraska railway commission to attend a conference Nov. 16 to consider the proposed order relating to insurance of various kinds covering truck operations. The commission decided recently to adopt the schedule of figures tentatively put in effect by the Interstate Commerce Commission, and to permit the business to be placed in companies that meet entrance requirements of the state law. So far little interest has been shown by Nebraska insurance men in the matter, although the volume of business totals large. Truckers have been patronizing mutuals and reciprocals mostly, and are talking now of joining a national association of truckers that will issue coverage on a mutual basis.

Denver A. & H. Meeting

At the meeting of the Denver Accident & Health Association, Mr. McGettigan, a member of the club, addressed the meeting on "Relation of Claims to Sound Underwriting." An open forum followed the address. Arrangements are being made to have a representative of the Retail Credit Company address the December meeting on the part inspection reports play in affecting policy issuance.

Current underwriting conditions in casualty insurance indicate to the alert agent the value of the direct relationship with Company Executives afforded by the Bankers Indemnity Insurance Co.

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Newark, New Jersey

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HOUR

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NEWS OF THE COMPANIES

Report on State Farm Mutual

Convention Examination Was Made of the Bloomington Company by Seven State Departments

The Oklahoma, Illinois, Texas, Alabama, Indiana, Pennsylvania and Louisiana departments have made an examination of the State Farm Mutual Automobile of Bloomington, Ill., as of July 1. The assets are \$11,567,827, premium reserve \$3,205,249, loss reserve \$2,799,108, surplus \$3,508,824. The premiums for the first six months were \$4,793,730, total income \$5,181,991, losses \$2,015,427, total disbursements \$4,202,445. The report states that the current market value of government bonds and cash totals \$3,448,474. The examiners declare that the results achieved reveal a favorable underwriting experience and the claims indicate that the policy of the company in the settlement of just claims is fair and equitable.

An original premium varying according to the coverage provided, type of car and territory is paid after the premium for an initial six months term. The policy is renewable for successive terms of six months thereafter as the required renewal premium is paid. The rate of the original and renewal premium is based on the company's own experience. It charges a policy fee varying from \$2 to \$5 for fire, theft, windstorm, etc., a \$5 to \$10 for collision, \$5 to \$9 for property damage and public liability.

The loss ratio last year was 51.57 and for the first six months of this year 41.38 percent. The expense ratio last year was 48.24 and for the first six months 47.59. The percent of losses and expenses incurred in dividends to total income earned was 95.42 last year and for the first six months 81.85. The commissions paid for the first six months amounted to \$342,943.

Now Seek to Retire Junior Convertible Preferred Stock

The directors of the Maryland Casualty have agreed to draft an amendment to its charter to enable it to retire its junior convertible preferred stock, series A and B, to simplify its capital structure. Further consideration will be given to the proposed amendment at the next meeting. Owing to the report of the recapitalization plan the bid price on the common stock advanced sharply in the local market in Baltimore. Its securities have been enhanced in value and that will add materially to its surplus. Stock series A and B, junior convertible shares, were issued at \$2 a share and are redeemable at the option of the company at that price.

Travelers Mutual Report

Examination of the Travelers Mutual Casualty of Des Moines by Iowa, Missouri and Kansas shows assets \$569,570, surplus \$71,468. In the report the examiners call attention to the rapid expansion of the company last year in taking hazardous business at inadequate rates. This resulted in high expense and loss ratios. The underwriting loss last year was \$385,723. Since Aug. 31 of this year, the surplus has been revived through large contributions received and the income derived from assessments. Prior to Jan. 1 the net amount of contributions was \$225,000 and this year \$152,857. Assessments were levied on members and over \$200,000 was collected.

B. Lyon Tobin, son of A. D. Tobin, Sr., prominent Augusta, Ga., local agent, died here of pneumonia.

Observes 10th Anniversary

Buckeye Union Commemorates Its Conversion into Stock Company with Series of Agency Meetings

COLUMBUS, Nov. 11.—The Buckeye Union Casualty completed its fall series of agency meetings last week with a record attendance being reported. The series commemorated the 10th anniversary of Buckeye's organization as a stock company.

Agency meetings were opened with an afternoon session, which included a round table discussion of underwriting problems. H. L. Andrews, underwriting manager and H. B. Gooby, manager liability-indemnity department, had charge of this session. Following the banquet, F. E. Jones, Jr., president, explained plans of the company for the future. He pledged the Buckeye Union would continue to follow the same policies.

Subject of the evening meeting was "Turning Prospects into Policyholders." Speakers on this program included R. E. Jones, vice-president; Ira L. Morris, secretary and general manager; B. J. Mertz, comptroller; J. E. Foster, attorney; S. W. Schellenger, sales promotion manager, and George French, assistant secretary. As a feature of the meeting, a huge policy 10 feet high, was on display. As the program progressed, the policy was opened and one page was devoted to the subject of each speaker.

The Buckeye Union was organized as a stock company Nov. 1, 1926. Since that date, the company's assets have grown from \$169,959.67 to \$1,689,199.53 as of Oct. 1, 1936. During 1927, the corporation wrote \$289,216.79 in premiums, compared with \$1,261,699.84 during 1935.

Western Companies Reelect Officers at Annual Meet

The Western Insurance Securities Company, holding company of the Western Fire and Western Casualty & Surety of Fort Scott, Kan., reelected its board of directors and returned the present management, headed by Ray B. Duboc, president, at its annual meeting.

Henry Waldman, attorney representing Isidor Kahn, a director, proposed that the Western Casualty should enter New York state to write bail bonds and taxicab business. The proposal was turned down.

Mr. Duboc reported premiums written the first nine months as \$2,882,320, an increase of \$327,839 over the corresponding months of 1935. This is the largest nine months increase in the company's history. Ledger assets increased \$376,223. A technical underwriting loss of \$78,367 was due almost entirely to the increase in volume of premiums written.

Union Indemnity Case Closed

NEW ORLEANS, Nov. 11.—The receivers of the Union Indemnity have filed their final report and the case is now closed, although the receivers have not yet been discharged. The report as of Oct. 20 shows \$23,112 available for distribution to creditors.

E. M. Baker, Pratt, Kan., local agent has been elected president of the chamber of commerce there.

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Casualty and Surety field man seeks a position offering a better future. Prefer Illinois, Wisconsin but ten years experience includes other states. Married. Age 35. Exceptional training and knowledge of the business.

ADDRESS D-85 NATIONAL UNDERWRITER.

CASUALTY PERSONALS

G. E. Telfair, for five years special agent of the Maryland Casualty, who has been in insurance work in Southern California for 12 years, has been appointed special agent of the Zurich at Los Angeles, in charge of the outlying district.

Henry R. Hovey, superintendent of the surety collateral division of the Aetna Life, has just celebrated 25 years with the company.

William A. Steff, who becomes New York City manager of the Accident & Casualty of Switzerland, is opening an office on the ground floor of 111 John street in that city. He is a native of New Bedford, Mass., having been born there in 1900. United States Manager Neal Bassett and Assistant Manager Ogden Davidson were in Chicago last week arranging for the opening of the new office there.

W. F. Zech, Jr., Maryland Casualty, chairman of the San Francisco Junior Chamber of Commerce traffic safety committee, spoke on the Safety Council's regular weekly radio broadcast over station KJBS, announcing that Nov. 21-28 has been designated "No Accident Week" in California by Governor Merriam and outlining plans for the drive.

The death of **Thomas J. Tyne**, vice-president and general counsel of the National Life & Accident of Nashville, breaks up a group of five men that have carried on a rather unique way. In 1902 in connection with C. A. Craig, now chairman of the board; W. R. Wills, now president; C. R. Clement, executive vice-president, and Dr. R. E. Fort, vice-president and medical director, he helped organize the old National Sick & Accident, which was reorganized into the present company. For 35 years these men who were senior officers worked shoulder to shoulder. The company had planned a great celebration in honor of its five founders early in February, when over 800 field men from all parts of the country were to assemble to do homage to them. It is rather remarkable that five officials served during the 35 years and kept active in the business.

Mr. Tyne was a warm personal friend of Cordell Hull, Secretary of State, with whom he served in the Tennessee legislature 43 years ago. Undoubtedly Mr. Tyne was greatly affected by the death of his eldest son, Thomas J. Tyne, Jr., assistant general counsel, last February, he having been stricken with pneumonia.

Mr. Tyne's first law partner was P. M. Estes, now vice-president and general counsel of the Life & Casualty of Nashville.

The funeral was held in the Catholic Cathedral of Incarnation with Bishop Adrian celebrating the mass.

C. T. Gray, assistant U. S. manager European General Reinsurance, who has been kept away from the office for several weeks due to the condition of his health, is now at Virginia Beach regaining his strength.

Dinwiddie Lampton, president of the American Life & Accident of Louisville, who has been in Battle Creek, Mich., for a couple of weeks following a nervous breakdown, is now back at his office and on the road to recovery, but will spend only an hour or two a day at his desk for some little time to come. In the meantime his son, Dinwiddie Lampton, Jr., vice-president, who is only 22 years old, has been taking hold in good shape and the company is having a fine year.

T. Y. Beams was the honor guest at a testimonial luncheon tendered him by President F. J. O'Neill and other officials of the Royal Indemnity and Eagle Indemnity in New York to celebrate his

25th anniversary with the companies. Mr. Beams was recently appointed vice-president of the organization. He was presented a silver pen and pencil set. He entered the insurance business in 1906 as a clerk in the Ocean Accident and later was in the liability underwriting department. He was with the Ocean until he joined the Royal Indemnity, and has done considerable work in the latter company's educational activities.

E. C. Budlong of the Federal Life, Chicago, and Mrs. Budlong are spending several weeks vacationing in California. They are visiting San Francisco and Los Angeles. One of their sons, T. W. Budlong, is with the Commercial Casualty in San Francisco.

P. F. Hayden, assistant secretary of the Travelers Indemnity, has just celebrated his 30th anniversary with the company.

Thomas P. Davis, purchasing agent of the Travelers for the past 13 years and an employee of the company for over 30 years, died at the Hartford Hospital after several months' illness.

Edmund Zacher, son of President **L. E. Zacher** of the Travelers, has left this past week for an eighteen months' cruise in the south seas. He went along as photographer on the 92-foot schooner "Yankee."

An interesting hobby of **J. Doyle DeWitt**, assistant manager of the life and accident claim department of the Travelers, came to light in the recent political campaign. Mr. DeWitt has gathered over 1,000 badges, buttons, banners, plates, mugs and various other articles used in the past century of political battles.

Walter E. Mallory, agency secretary of the Travelers, has been elected vice-president of the Hartford Club, to which many of the insurance executives there belong and where most visiting insurance men are entertained.

New Oil Station Rates

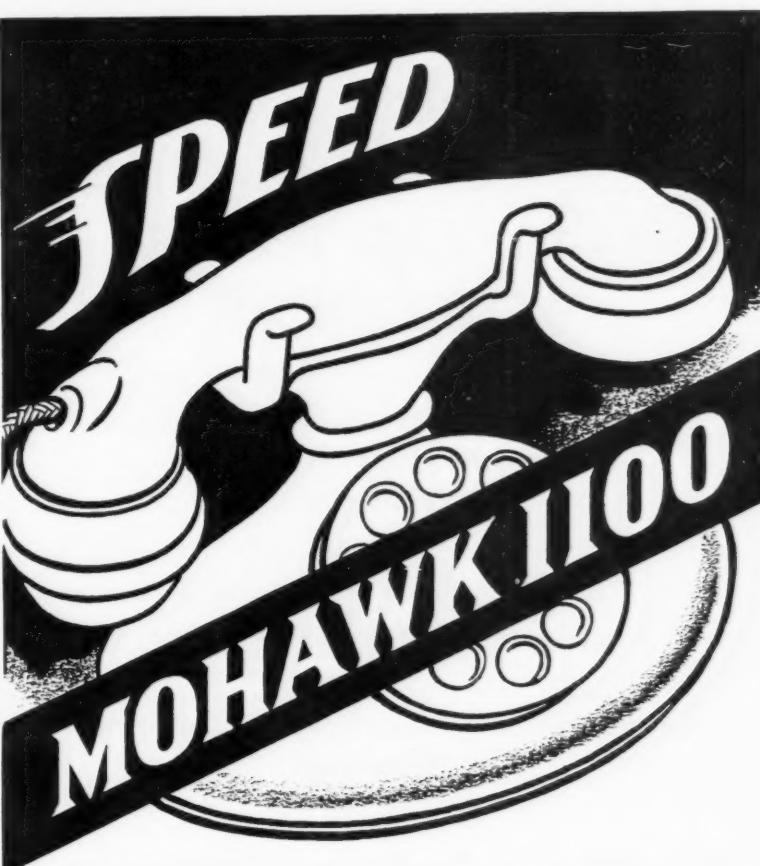
Reduced property damage rates and minimum premiums for retail gasoline and oil supply stations have been filed with the insurance department of the state of Washington, in accordance with the country-wide manual changes which became effective recently. The new minimum premiums are \$10 for public liability and \$10 for property damage per location and \$35 for product liability and \$20 for product property damage. Property damage rates are reduced about 20 per cent. The elevator property damage premium for automatic grease hoists has been reduced to \$7.50 per hoist.

Fall Term Ends

BALTIMORE, Nov. 11.—The fall class of the insurance school of the United States Fidelity & Guaranty was graduated. At a luncheon given the class at the Merchants Club, President E. Asbury Davis emphatically expressed his disbelief that the young men of today have not the same opportunities before them that were open to ambitious men of the past years.

Students in the class represented 16 states. Personnel was made up not only of men new to the insurance business, but the majority were men who had been connected with the business for years. The student who attained the highest rank for his work during the course was Dave Johnson of the Fisher-Brown Insurance Agency, Pensacola, Fla.

The next school session will begin Jan. 4, 1937. Instruction will be given by specialists trained in the casualty, surety, and fire insurance lines.



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Oklahoma, and Tennessee.

Workmen's Compensation

New Wage Basis in Colorado

**Fear High Losses on Part-timers Under
Method of Using Prevailing
Earnings**

DENVER, Nov. 11.—A vote of 2 to 1 was recorded by Colorado voters for the amendment establishing a new method of arriving at the average weekly wage under the compensation law. The measure will probably go into effect about the first of the year. Wage history now will be based on the wage of the injured at the time of the accident instead of an average of the weekly wage during the 12 preceding months. The same status is given to the part-time worker, even though he be casually employed. The state industrial commission is empowered by the act, to change its provisions if in its opinion, circumstances demand a change.

It is likely the Mountain States Compensation Rating Bureau will have to change its business methods considerably, although no word has yet been received from the National Council. It is felt that rates will of necessity be increased, but it cannot be determined what percentage of increase will be necessary to meet the changed conditions. A. Z. Skelding, actuary of the National Council on Compensation Insurance, in commenting on the change when it was first proposed, said:

The method of determining the average weekly wage has a very important bearing upon the benefits which an injured workman may receive. This is especially true when industrial conditions are changing, or when there is a considerable amount of part time work. Consequently, a change such as this proposed, may under certain circumstances have little effect upon cost, and under others may have an appreciable bearing upon compensation loss payments.

Take Pessimistic View

Denver insurance men take a pessimistic view of the law. An increase in loss ratios is expected on the numerous industries in the region which use part time or seasonal labor. In this state many of the major industries are seasonal, these include coal mining, sugar beet, and sugar factories, concrete plants, and nearly all major construction jobs.

Exactly how the seasonal industries will be treated is not clear but a worker injured in such an industry may spend his period of disability partly or wholly during the off season when his industry is not working at all.

Change in New York Rule

NEW YORK, Nov. 11.—With the sanction of the department, the rule of the Compensation Insurance Rating Board with respect to classifications carrying specific occupational disease rates established for grinding operations now reads: "In any case where a risk is assigned to a classification carrying a specific occupational disease rate for grinding operations, the O. D. rate for such risk shall be based on a weight of 10 when it does not use natural sandstone or silica abrasives. Specific approval of the reduced rate must be given in each case by the rating board."

Oklahoma Approves "High-Low"

OKLAHOMA CITY, Nov. 11.—The Oklahoma insurance board has approved the retrospective rating plan for workers' compensation insurance. S. W. Philpott, board secretary, said many assured, who have been placing business

with non-admitted carriers, have expressed a willingness to return business to the admitted companies and comply with the provisions of the law 100 percent.

Hopes for Nebraska Repeal of State Bond Law Dashed

LINCOLN, NEB., Nov. 11.—Hopes of leaders of the Insurance Federation of Nebraska that the unicameral legislature could be induced to repeal the obnoxious and unnecessary state monopoly bonding bill ended when Governor Cochran, who was responsible for its passage, was swept into a second term by the unusual majority of 80,000. His veto power would certainly be exercised if the legislature did enact repeal, and it would take 27 of the 43 members to pass it over his disapproval.

Attorneys for the bonding companies challenging the validity of the law which gives the state a monopoly of public official bonds filed a 123-page brief in the supreme court last week, in which they ask reversal of the order of the district court denying a permanent injunction against its enforcement.

The trial court held invalid one section of the law, that which gave the state board power to remove or suspend constitutional state officers who did not secure their bonds from the commission, but found that it was not an inducement for the passage of the law and hence its invalidity did not taint the whole law. This position is vigorously attacked in the brief, which holds that as this provision was enacted in order to protect the fund against unrestricted and unlimited liability, it cannot be stricken out without holding that the legislature was not concerned with the solvency of the fund and would have voted just as readily for the bill if it were not included.

The act is challenged in detail as clearly drafted in total disregard of all constitutional limitations.

Would Boost Gasoline Tax Bond

LINCOLN, NEB., Nov. 11.—An increase in the amount of bond required of gasoline dealers who collect gasoline taxes from a flat \$1,000 to a maximum of \$2,000 is recommended by W. B. Banning, in charge of the state gasoline tax collection bureau. Mr. Banning says the \$1,000 bond is less in many cases than monthly collections of dealers.

Big Corporation Converts to an Insurance Charter

(CONTINUED FROM PAGE 3)

common stocks and on Dec. 31, 1935, included such items as \$4,000 of Chesapeake & Ohio, 1,000 Norfolk & Western, 2,200 Air Reduction, 7,500 American Radiator, 500 du Pont, 1,000 Eastman Kodak, 2,000 Humble Oil, 1,500 Montgomery Ward, 4,000 J. C. Penney, 2,500 Sears, Roebuck, and many others of the same type.

It is indicated that present stockholders will exchange share for share for stock in the Reinsurance Company. This would indicate capital of about \$3,500,000, with surplus of close to \$4,500,000.

Conversion of Vick Financial to an insurance charter may be only the first of such moves by corporations whose main purpose is investment or market operations. A forecast that such corporations would be inclined to turn to insurance charters was made when the 1936 income tax law was passed.

LLOYDS' OPERATORS INTERESTED

LONDON, ENG., Nov. 11.—Willis, Faber & Co., leading Lloyds operators of this city, according to current report, are substantially interested in the Reinsurance Corporation of America, in process of reorganization in New York

under an insurance charter to succeed Vick Financial Corporation. John Stamp and F. Turbill, central figures in the Willis, Faber combination, it is said, will sail for America on the Queen Mary next week, and upon arrival in New York will work out details for launching and handling the new reinsurance enterprise. Mr. Finley, who has been associated with the Willis, Faber office for sometime, is credited with being slated to handle the Reinsurance Corporation's affairs once it gets underway. While the intended corporation will write some treaty and facultative business, its main function will be to furnish excess of loss covers somewhat along the famous Guy Carpenter plan.

Just what the financial strength of the Reinsurance Corporation is to be, will be definitely known when the proposition is detailed to stockholders of the Vick Financial Corporation at a special meeting in Jersey City, Dec. 10. The understanding here is that the initial capital will be either \$1,000,000 or \$1,500,000, with a net surplus of \$9,000,000 or \$8,500,000 according to the size of the capital. No secret has been made that the primary purpose of the Vick Financial in embarking in the insurance field, is to escape the heavy federal profit tax, and it would not surprise underwriters and financiers here if other insurance companies were launched in the United States before the close of the year, by various interests for the same reason. Willis, Faber & Co. undoubtedly figure that through the medium of a home institution London Lloyds would secure a far larger volume of business than is now possible, many states refusing to give ceding companies credit for risks held in non-admitted carriers. Just how reserves will be figured on excess loss business is a problem, none of the states having statutes thereon. After securing business the reputed intent of Willis, Faber & Co. for the reinsurance corporation is to reinsure the liability with London

Lloyds through making full provision for all assumed obligations with the different state departments. As Willis, Faber & Co. have long been leading Lloyds marine underwriters, so Heath & Co., also of this city, have been the outstanding Lloyds fire operators. The recent excursion of the latter house into the marine line, is said to have induced Willis, Faber & Co. to seek fire reinsurance, with the advantage of soliciting through the medium of a financially strong institution operating under a New York state charter.

ASSOCIATIONS

Hear Hospital Executives

The San Antonio (Tex.) Claim Men's Association had as its guests at its luncheon meeting Mrs. Martha Roberson, manager and superintendent of the Medical & Surgical Hospital, and Miss Cynthia Orrell, vice-president and business manager of the Physicians & Surgeons Hospital.

Miss Roberson spoke on the "Problems of Hospitalization Itself and Its Relation to Insurance Companies." She discussed the origin and purposes of the lien law which places a lien against the amount of any settlement to protect the hospital. She said hospital authorities are anxious to cooperate with adjusters through furnishing any information needed for the intelligent and fair settling of claims which involve patients of the hospitals. The address was followed by a round table discussion. Miss Orrell spoke briefly along similar lines.

Talk on Probate Bonds

Probate Judge S. N. Chambers addressed the first fall meeting of the Casualty & Surety Field Club of Indiana in Indianapolis, stressing the importance of proper handling of bonds in connection with the probating of estates. After a bond has been issued covering the administrator of an estate, it is the duty of the agent to keep in touch with the progress of administration and not to consider his responsibility as closed with the issuing of the bond. He also warned against the danger of anyone other than a lawyer attempting to give legal advice. The next meeting will be held Dec. 14.

Cleveland Association Active

CLEVELAND, Nov. 11.—The Cleveland Association of Casualty Underwriters had L. S. Sawyer, manager of the plate glass and burglary department of the National Bureau, as speaker at its last meeting. Agents here have expressed a desire that the Index Bureau conduct a clearing house for information regarding the declination of casualty risks, including moral and physical reasons.

Joins Plate Glass Bureau

NEW YORK, Nov. 11.—Election of the Manufacturers Casualty of Philadelphia to membership in the New York Plate Glass Service Bureau of the National Bureau increases to 51 its company membership, controlling practically 100 percent of the plate glass premiums written in the metropolitan district.

Dallas Claim Meeting

The Dallas Claim Men's Association will hold its regular monthly meeting Nov. 13. The principal speaker will be R. O. Carter, claim agent of the M. K. & T. R. R. on "The system I would adopt for the equitable handling of injury claims, if I had the power to enforce compliance of both insurer and claimant."

The Kansas City branch office of the Maryland Casualty will move to the Commerce building, where it will occupy half of the sixth floor.



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CAPITAL	\$1,000,000.00
Surplus	4,044,764.57
Voluntary Catastrophe Reserve	500,000.00
Reserve for Losses	3,527,772.91
All Other Liabilities	1,407,181.98
TOTAL ASSETS	10,479,699.40

NOTE: Securities carried at \$690,943.75 in the above statement are deposited as required by law.

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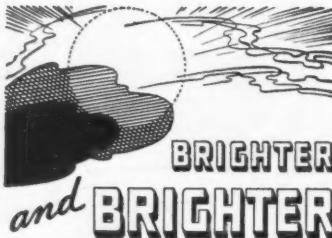
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Equity Hearing Is Given Companies

(CONTINUED FROM PAGE 20)

tion referred to rendered the premium charges inadequate by "2 percent or to any extent."

The commissioner says it is not required by law that he should be limited to the use of data introduced in evidence at the hearing on the rates, and adds that he is not required to make rulings, either of law or fact, in connection with the hearing. The requests for rulings, described in the petition, "were requests for rulings which he was neither required to give nor could give under any correct application of the law."

The commissioner denies that the 1937 rates are "inadequate, unjust, and unreasonable in any respect or manner whatsoever" and says that the charges are such as he is required by law to make.

Says He Considered Changes

It is admitted the commissioner based his premium charges upon experience of losses incurred during the years 1931 to 1935, inclusive, but he denies that he disregarded changes in conditions from year to year caused by the increased number and power of cars, changes in roads, increases in traffic hazards, and the consequent increases in accidents and in losses to the companies. The commissioner states he gave due weight to all such matters in making the classifications.

The commissioner denies that "there is any probability that conditions in 1937 will be more nearly like those in the later years of the period 1931-1935 than like those in the earlier years of said period." He did, however, "refuse to use a rate level factor to take into account the effect of such conditions and to adjust said five-year experience to the loss level of the later years." The commissioner denies that such a factor "could be properly, readily and accurately computable" and also denies that the "omission of any such factor would render premium charges inadequate for the year 1937." He further denies that the refusal to use such a factor resulted in an inadequacy of 6.1 percent in the premium charges "or in any inadequacy therein."

Going further into the matter of the later years factor, the commissioner says "the use of such a rate level factor as described in the petition would be an improper mode of computation

on his part and would not be in accordance with good underwriting practice, and that if he had used the same as described, the rates and premium charges would not have been so computed as to be just, reasonable and non-discriminatory."

The respondent denies the premium charges as compiled by him were inadequate to any extent, and further denies any reduction was made in the total amount of losses in the manner and mode set forth in the petition.

The commissioner alleges that the data and statistics submitted to him by the companies, referred to in the petition, "were based on incorrect estimates of outstanding losses in which the same were figured at too great an amount, and that by reason of figuring them at too great an amount, the total result of the data furnished by the petitioners was not correct and that the respondent did make necessary corrections in the same, which were made according to best principles applicable to making rates."

The demurrer concludes by stating the premium charges fixed by the commissioner were "just, reasonable and non-discriminatory, that they were accurately and correctly computed and were based upon sound principles, practices and judgement, knowledge and experience."

Hall Heads Chicago Body

At the annual meeting of the Chicago Surety Underwriters Association Tuesday evening, R. E. Hall of the Ocean Accident was installed as president. J. P. Keevers, Maryland Casualty, retiring president, presided. William Wallace, Hartford Accident & Indemnity, who was formerly secretary, becomes vice-president; Palmer Olstad, Continental Casualty, secretary; L. V. Irvine, Aetna Casualty, treasurer, and E. V. Mitchell, Continental Casualty, general counsel. The entertainment was in charge of B. J. Nietschmann, National Surety.

Max Silverman Wins New Trial

Max Silverman, Newark bail bond writer, who was convicted on a charge of larceny in the Essex county court last December, has been granted a new trial, according to a decision of the New Jersey supreme court. Mr. Silverman was president and treasurer of the M. & S. Agency in Newark, which did a large bail bond business. It was specifically charged that he failed to return \$4,000 held in trust by the agency for S. R. Zetner, one of its agents, as collateral against bail bonds executed by Zetner.

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NEW YORK

Statement January 22, 1936

ASSETS

U. S. Treasury Bonds and Notes	\$1,390,291.54
Other Bonds	484,505.00
Stocks	137,543.87
Accrued Interest	16,519.07
Cash in Banks	<u>1,037,080.82</u>
	\$3,065,940.30

All Securities taken at Market Value January 22, 1936.

LIABILITIES

Voluntary Contingency Reserve	\$ 565,940.30
Statutory Deposit, New York	850,000.00
Net Surplus above Deposit	<u>1,650,000.00</u>
Surplus to Policy Holders	<u>2,500,000.00</u>
	\$3,065,940.30

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